

12<sup>th</sup> September, 2022

To,  
**BSE Limited,**  
Phirozen Jeejeebhoy Towers,  
Dalal Street,  
Mumbai - 400 001, Maharashtra

**Scrip ID / Code: KDML / 539788**

**Subject: Submission of 11<sup>th</sup> Annual Report for the Financial Year ended 2021-22 – using Digital Signature Certificate (DSC)**

**Ref.: BSE Circulars**

- Circular on use of digital signature certificate for announcements submitted by listed companies; dated 1<sup>st</sup> August, 2022
- Guidance Note on use of digital signature certificate for announcements submitted by listed companies; dated 7<sup>th</sup> September, 2022

Dear Sir / Madam,

Pursuant to above captioned subject and reference matter, we are submitting herewith 11<sup>th</sup> Annual Report again using Digital Signature Certificate (DSC).

Kindly take the same on your record and oblige.

Thanking You,

**For KHEMANI DISTRIBUTORS & MARKETING LIMITED**

**VAISHALI PUNJABI**

Company Secretary  
ACS: 48695

Encl.: As above

# **KHEMANI DISTRIBUTORS & MARKETING LIMITED**



## **11<sup>TH</sup> ANNUAL REPORT** **2021-22**

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## **Chairman & Managing Director's Perspective**

**Dear Shareholders,**

I'm delighted to welcome you to the 11<sup>th</sup> Annual General Meeting of the Company.

After a turbulent two unimaginable years, the COVID-19 virus appears to have been tamed. Experts believe it may have reached the endemic stage. But there are many who have faced the brunt of this unprecedented virus and the chaos it caused. We stand with them in solidarity. It was arguably, one of the most difficult challenges the world had to face, but with fortitude and resilience, the world is now cautiously optimistic that the worst is behind us. Despite all the pain and suffering, the unbreakable human spirit shines through – in the large and small acts of kindness, sympathy and compassion.

Many of us have lived through an economic crisis before. Without fail, the world has adapted and bounced back. In the last two years, we have unlearned old habits, adopted technology rapidly and challenged ourselves to adapt to new ways of working. I am glad and proud, that Khemani has been a trusted partner among our customers right through this journey and together, we have emerged stronger.

As we slowly transition toward normalcy, it is an opportunity for us to make this transition more resilient, inclusive and sustainable. On behalf of the Board of entire Khemani family, I would like to place on record sincere gratitude and appreciation for all the Employees, Suppliers, Customers, Bankers, Business Partners/Associates, Financial Institutions and Regulatory Government Authorities for their constant support including those who have worked tirelessly even in exceptional circumstances for the greater good of the society. Their concerted efforts to ensure Khemani's continuing success are phenomenal.

We are committed to doing things the right way, which includes taking business decisions and acting in ways that are ethical and in compliance with applicable legislation. This is our road to consistent, competitive, profitable, and responsible growth and to creating long-term value for our shareholders, our people, and our business partners.

I would like to thank you, our shareholders, for your continued support and trust in Khemani Distributors and Marketing Limited.

Warm Regards,

**Vijaykumar Khemani**

**Chairman and Managing Director**



## **BOARD OF DIRECTORS AND KMP**

### **Vijaykumar Khemani** **Chairman & Managing Director**



**Mr. Vijaykumar Khemani** is the Pioneer of the Company and has been on Board since Inception. He has been appointed as Chairman & Managing Director of the Company w.e.f. 2<sup>nd</sup> January, 2016. He has over 5 Decades of rich experience across various Business. Under his Leadership, the entire Khemani Group has grown from Scratch to what it is Today. He is the Guiding Force behind the Strategic Decisions of our Company. He is socially very active, being associated with Social Organisations like Agarwal Vikas Trust and Agarwal Samaj Vidya Vihar Trust. He is acting as a Treasurer in Agarwal Education Foundation and as a Committee Member in Agarwal Pragati Trust.

### **Amitkumar Khemani** **Whole Time Director & CFO**

**Mr. Amitkumar Khemani** has been on Board since Inception and pioneered the Company under the Guidance of his Father Mr. Vijaykumar Khemani. He has been appointed as Whole Time Director & CFO of the Company w.e.f. 2<sup>nd</sup> January, 2016. He holds Bachelors' Degree of Commerce. He has more than 10 years of experience in the field of Trading in FMCG Industry, Customer & Vendor Development, Supply Chain, Warehousing & Logistics Management. He has been instrumental in Planning and Formulating the Overall Business Strategies and developing Business Relations for our Company. He plays an instrumental role in taking major policy decisions of our Company. He also handles Finance and Banking, manage Company Associations, identify and explore various Business Opportunities.



### **Anupa Khemani** **Non-Executive Director**



**Mrs. Anupa Khemani** is the Non-Executive Director of our Company. She is the Wife of Mr. Amitkumar Khemani. She is associated with the Company w.e.f. 10<sup>th</sup> December, 2015. She holds Masters' Degree in Management and Business Administration (Marketing). She is a Home-Maker and also looking after the day to day activities of the Company. She adds on her Marketing skills for the Development of the Company.

**Amit Jain**  
**Independent Director**

**Mr. Amit Jain** is Non-Executive Independent Director, associated w.e.f. 2<sup>nd</sup> January, 2016 with the Company. He is Chartered Accountant by Profession. He has began his career in Textiles and than have handled his Family Business of Textiles since 1998 till 2014. He is associated with JayBharat Group, Surat since 2015 and presently, acting as a Director in JB Ecotex Limited, which is India's Second Biggest Recycler of PET Plastic.



**Balkishan Agarwal**  
**Independent Director**



**Mr. Balkishan Agarwal** is Non-Executive Independent Director, associated with company w.e.f. 13<sup>th</sup> November, 2017. He is Chartered Accountant By profession, practicing in DBS & Associates, a Chartered Accountant Firm. He was the Chairman of Surat Branch of WIRC of ICAI in the year 2015 and is currently the Regional Council Member of ICAI in Western Region. He is socially very active, being associated with various Social Organisations like Agarwal Vikas Trust, Ekal Yuva, RSS and Shantam.

**Mukeshkumar Kabra**  
**Independent Director**

**Mr. Mukeshkumar Kabra** is Non-Executive Independent Director, associated with the Company w.e.f. 13<sup>th</sup> November, 2017. He is Chartered Accountant By profession and cleared various certification courses of International Taxation and FAFD, conducted by ICAI. He is currently practicing with S K Kabra & Company, a Chartered Accountant Firm. He is serving as a Managing Committee Member of Chartered Accountant Association of Surat (CAAS) & Dr. Ambedkar Vanvasi Kalyan Trust (DAVKT). His core area of practice is Direct tax and regularly writing articles on Taxation and Economy, being published in famous publication houses like Taxman, Tax publisher, Tax Guru, Financial Express, First post and New 18.

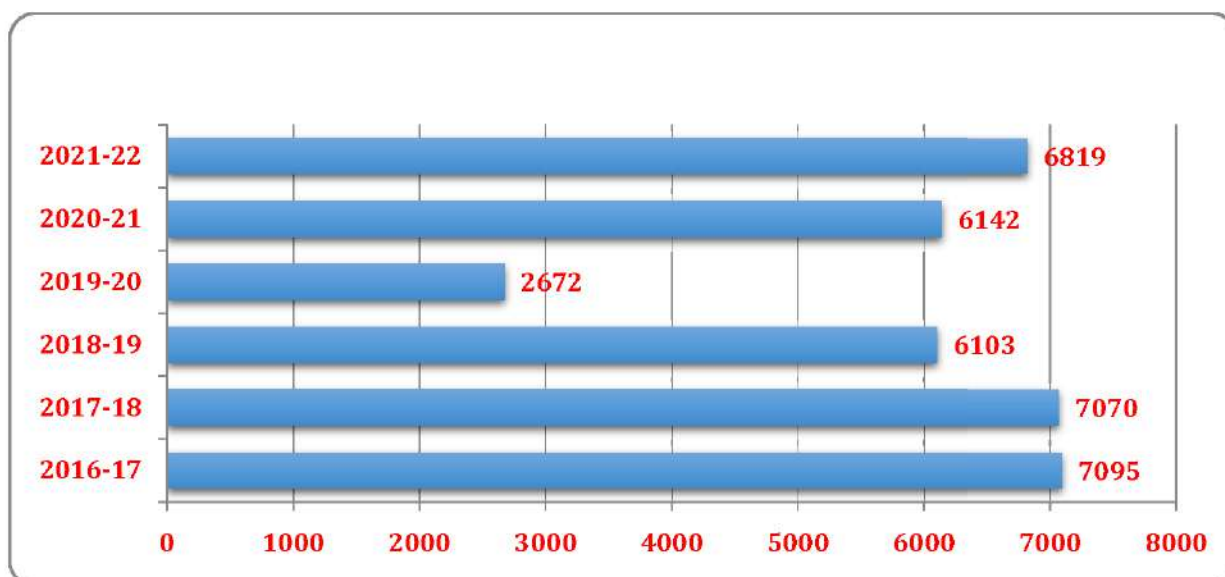


**Vaishali Punjabi**  
**Company Secretary & Compliance Officer**

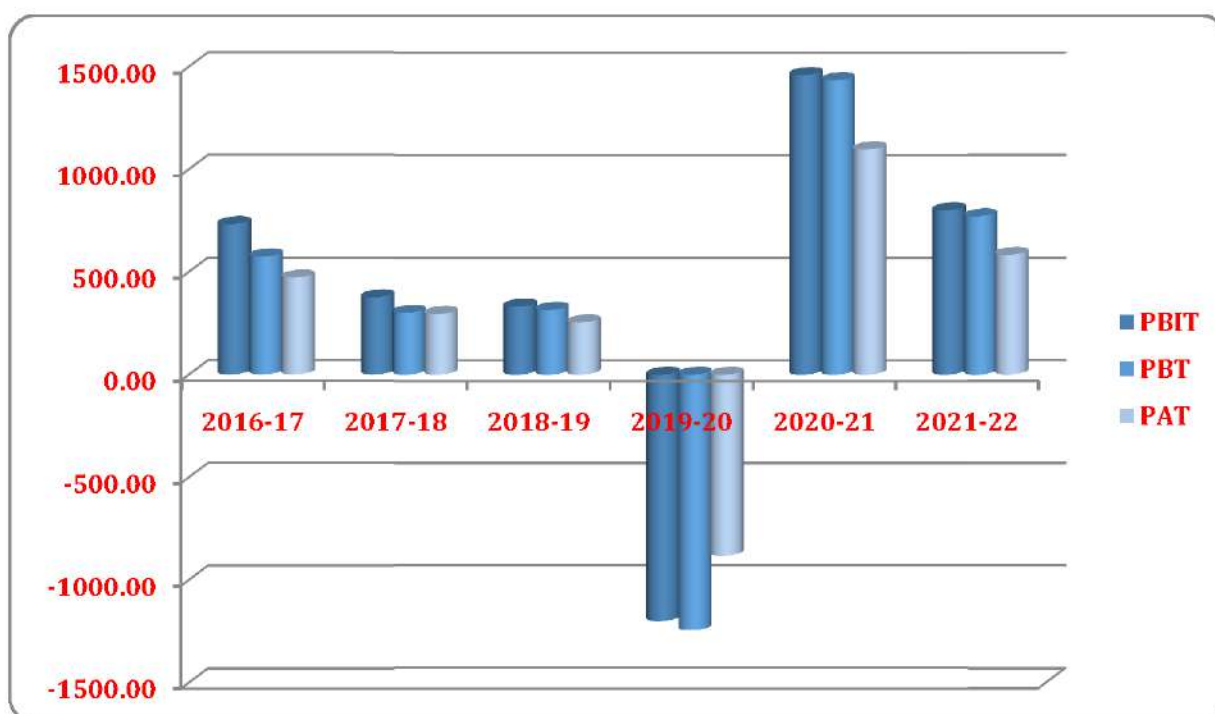
**Ms. Vaishali Punjabi** is the Company Secretary & Compliance Officer of our Company, associated w.e.f. 25<sup>th</sup> September, 2020. She holds Bachelors' degree of Commerce and is an Associate Member of ICSI since December, 2016. She has an overall experience of more than 5 years in Secretarial and Compliance work.

## FINANCIAL HIGHLIGHTS

### Total Income (In Lakh)



### PBIT, PBT & PAT (In Lakh)





## **CORPORATE INFORMATION**

### **BOARD OF DIRECTORS**

**Shri Vijaykumar Khemani**  
Chairman and Managing Director

**Mr. Amitkumar Khemani**  
Whole Time Director and CFO

**Mrs. Anupa Khemani**  
Non-Executive Director

**Mr. Amit Jain**  
Non-Executive Independent Director

**Mr. Balkishan Agarwal**  
Non-Executive Independent Director

**Mr. Mukeshkumar Kabra**  
Non-Executive Independent Director

### **CHIEF FINANCIAL OFFICER**

**Mr. Amitkumar Khemani**

### **COMPANY SECRETARY & COMPLIANCE OFFICER**

**Ms. Vaishali Punjabi**

### **STATUTORY AUDITORS**

**B Chordia & Co.**  
Chartered  
Accountants

### **INTERNAL AUDITORS**

**Ravindra Dhakar & Associates**  
Chartered Accountants

### **SECRETARIAL AUDITORS**

**Mr. Bhaveshkumar Rawal**  
Company Secretary

### **BANKERS**

**Kotak Mahindra Bank**

**ICICI Bank**

**Axis Bank**

**HDFC Bank**

### **REGISTERED OFFICE**

#### **Khemani Distributors & Marketing Limited**

Plot No. D/91-92,  
Laxminarayan Industrial Park,  
BRC Compound, Udhna, Bhestan Road,  
Surat-394210, Gujarat  
Contact: +91-9737747888  
Email: [investors@khemanigroup.net](mailto:investors@khemanigroup.net)  
Website: [www.khemanigroup.net](http://www.khemanigroup.net)

### **REGISTRAR & SHARE TRANSFER AGENT**

#### **Bigshare Services Private Limited**

Office No. S6-2, 6<sup>th</sup> Floor,  
Pinnacle Business Park,  
Next to Ahura Centre,  
Mahakali Caves Road,  
Andheri (East) Mumbai – 400093,  
Maharashtra  
Contact: 022 – 62638200  
Email: [investor@bigshareonline.com](mailto:investor@bigshareonline.com)  
Website: [www.bigshareonline.com](http://www.bigshareonline.com)

## **NOTICE OF 11<sup>th</sup> ANNUAL GENERAL MEETING**

**NOTICE** is hereby given that **11<sup>th</sup> Annual General Meeting** of the Members of **KHEMANI DISTRIBUTORS AND MARKETING LIMITED** will be held at **Registered Office** of the Company situated at Plot No. D/91-92, Laxminarayan Industrial Park, BRC Compound, Udhna, Bhestan Road, Surat-394210, Gujarat on **Wednesday, the 28<sup>th</sup> September, 2022 at 4:00 p.m.** to transact the following businesses:

### **ORDINARY BUSINESS:**

#### **1. Adoption of Financial Statements and Report of Board of Directors:**

To receive, consider and adopt the Standalone Audited Financial Statements of the Company for the year ended 31<sup>st</sup> March, 2022 together with the Reports of the Board of Directors and the Auditors thereon and to pass the following resolution as an Ordinary Resolution:

“RESOLVED THAT the Audited Standalone Financial Statements of the Company for the financial year ended 31<sup>st</sup> March, 2022 together with the Reports of the Board of Directors and the Auditors thereon be and are hereby adopted”.

#### **2. Re-appointment of Director who retires by rotation:**

To appoint a Director in place of Mr. Amitkumar Khemani, Whole Time Director and CFO, who retires by rotation and being eligible, offer himself for re-appointment and to pass the following resolution as an Ordinary Resolution:

“RESOLVED THAT in accordance with the provisions of Section 152(6) and all other applicable provisions, if any, of the Companies Act, 2013, Mr. Amitkumar Khemani, Whole Time Director and CFO, who retires by rotation at this Annual General Meeting, be and is hereby re-appointed as Director of the Company.”

### **SPECIAL BUSINESS:**

#### **3. Approval for Related Party Transactions:**

To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Section 188 of the Companies Act, 2013 read with the Rules made thereunder (including any other applicable provisions or statutory modification(s) or re-enactment thereof for the time being in force) and as per the recommendation/approval of the Audit Committee and the Board of Directors of the Company, consent of the Members be and is hereby accorded to enter into Related Party Transactions, to be entered into with Entities mentioned below in the table for an amount not exceeding Rs. 15 Crore in a financial year for the period of three financial years commencing from financial year 2022-23 till financial year 2024-25, notwithstanding the fact that the transactions within these financial years may exceed 10% of the turnover of Company as per last audited financial statement or materiality threshold as may be applicable from time

to time, provided that the said contracts/arrangements/transactions shall be carried out on an arm's length basis and in the ordinary course of business of the Company.

<b>Name of Entity</b>	<b>Transaction</b>	<b>Value of Transaction (in Rs.)</b>
<b>Khemani Enterprises</b> [Vijaykumar Khemani HUF – Proprietor of Khemani Enterprises; Vijaykumar Khemani – Karta ] [Group Entity]	Sale / Purchase / Manufacturing of goods & Availing / Providing services & Business / Financial transactions, sharing of knowhow or any other technical transaction, including reimbursement of expenses.	15 Crore
<b>Khemani Marketing</b> [Amitkumar Khemani HUF – Proprietor of Khemani Marketing; Amitkumar Khemani – Karta ] [Group Entity]	Sale / Purchase / Manufacturing of goods & Availing / Providing services & Business / Financial transactions, sharing of knowhow or any other technical transaction, including reimbursement of expenses.	15 Crore
<b>Salasar Distribution Solutions</b> [Avinash Khemani HUF – Proprietor of Salasar Distribution Solutions; Avinash Khemani – Karta ] [Group Entity]	Sale / Purchase / Manufacturing of goods & Availing / Providing services & Business / Financial transactions, sharing of knowhow or any other technical transaction, including reimbursement of expenses.	15 Crore

RESOLVED FURTHER THAT any Director or KMP of the Company be and are severally authorized to file, sign, verify and execute all such e-forms, papers or documents as may be required and do all such acts, deeds, matters and things as may be necessary for giving effect to this Resolution.”

#### **4. Revision in the Remuneration of Whole Time Director & CFO of the Company:**

To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:

“RESOLVED THAT in accordance with the provisions of Sections 196, 197, 198 and 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), approval of the Members of the Company be and is hereby accorded for revision in the remuneration of Mr. Amitkumar Khemani, Whole Time Director and CFO of the Company for the period

of Five (5) years commencing from financial year 2022-23 till 2026-27 on the terms and conditions as set out below:

Name	Amitkumar Khemani
Designation	Whole Time Director and CFO
Remuneration	Upto Rs. 15,00,000/- p.a. (Rupees Fifteen Lakh only)

In addition to the above, he shall also be entitled to receive the following:

- (a) Car for use on Company's business;
- (b) Reimbursement of entertainment expense actually and properly incurred in the course of business of the Company.

RESOLVED FURTHER THAT Board of Directors (hereinafter referred to as "the Board" which term shall be deemed to include the Nomination and Remuneration Committee of the Board) be and is hereby authorised to amend, alter, modify or otherwise vary the said remuneration as it may deem fit and as may be acceptable to Mr. Amitkumar Khemani, subject to the same not exceeding the amounts fixed herein and those specified under Section 197 read with Schedule V of the Act.

RESOLVED FURTHER THAT notwithstanding anything to the contrary herein contained where in any financial year during the continuity of tenure of Mr. Amitkumar Khemani, the Company has no profits or inadequate profits, the Company will pay remuneration by way of salary, perquisites, and allowances to him subject to compliance with the applicable provisions of Schedule V of the Act.

RESOLVED FURTHER THAT the other terms and conditions of appointment of Mr. Amitkumar Khemani shall remain unchanged for the remaining tenure of his appointment.

RESOLVED FURTHER THAT any Director or KMP of the Company be and are severally authorized to file, sign, verify and execute all such e-forms, papers or documents as may be required and do all such acts, deeds, matters and things as may be necessary for giving effect to this Resolution."

By Order of the Board of Directors  
**KHEMANI DISTRIBUTORS & MARKETING LIMITED**

**VAISHALI PUNJABI**  
Company Secretary  
ACS: 48695

Place: Surat  
Date: 29-08-2022

**NOTES:**

1. ***A member entitled to attend and vote at an Annual General Meeting (AGM) is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a member of the company. The instrument of the proxy, in order to be effective must be received by the company, duly completed and signed not later than forty eight (48) hours before the commencement of the meeting. Proxies submitted on behalf of limited companies, societies, etc., must be supported by appropriate resolutions/authority, as applicable. (Proxy form is annexed to this report).***

A person can act as proxy on behalf of not more than fifty (50) Members and holding in the aggregate not more than ten percent (10%) of the total share capital of the Company carrying voting rights. A Member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy for his entire shareholding and such person shall not act as a proxy for another person or shareholder.

If a proxy is appointed for more than fifty members, he/she shall choose any fifty Members and confirm the same to the Company before the commencement of the specified period for Inspection. In case the proxy fails to do so, the Company shall consider only the first fifty proxies received as valid.

2. The relevant details as required under Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and Secretarial Standards on General Meetings issued by the Institute of Company Secretaries of India, of the person seeking appointment / re-appointment as Director as mentioned under Item No. 2 of the Notice is annexed thereto.
3. Corporate Members intending to send their authorised representatives to attend the Meeting pursuant to section 113 of the Companies Act, 2013 are requested to send to the Company, a certified copy of the relevant Board Resolution together with their respective specimen signatures authorising their representative(s) to attend and vote on their behalf at the Meeting.
4. Members are informed that in case of Joint holders attending the meeting, only such Joint holder who is first in the order of the names will be entitled to vote.
5. Only Bonafide Members of the Company whose names appear on the Register of Members / Proxy holders, in possession of valid attendance slip duly filled and signed will be permitted to attend the Meeting. The Company reserves its right to take all steps as may be deemed necessary to restrict non-members from attending the meeting.
6. In order to enable us to register your attendance at the venue of the AGM, we request you to bring your Folio Number/Demat Account Number/DP ID-Client ID to enable us to give you a duly filled attendance slip for your signature and participation at the meeting.



7. Members may please note that no gifts, gift coupons, or cash in lieu of gifts will be distributed at meeting, in compliance with Section 118(10) of the Companies Act, 2013 and the Secretarial Standards issued by Institute of Company Secretaries of India.
8. The attention of the Members of the Company is invited that pursuant to Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2015 as amended from time to time, the exemption with respect to voting by electronic means is available to the Company which are referred to in Chapter XB or Chapter XC of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) regulations, 2009 and therefore your Company has opted to hold this meeting and providing Voting facility to the Members physically only.
9. The Register of Members and the Share Transfer books of the Company will remain closed from **Saturday, 17<sup>th</sup> September, 2022 to Wednesday, 28<sup>th</sup> September, 2022 (both days inclusive)** for AGM.
10. The Notice of AGM along with the Annual Report 2021-22 is sent to all Members via email at the email address registered with the RTA/Company. Members may also note that this Notice and Annual Report of 2021-22 will also be available on the Company's Website.
11. The Members, holding shares in dematerialized form may intimate any change in their addresses or bank details / mandates to their Depository Participants (DP) immediately.
12. To prevent fraudulent transactions, Members are advised to exercise due diligence and notify the Company of any change in address or demise of any member as soon as possible. Members are also advised not to leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified.
13. The Company has appointed M/s. Bigshare Services Private Limited, as its Registrar and Share Transfer Agents (RTA) for rendering the entire range of services to the Shareholders of the Company.
14. All the Members are requested to:
  - (a) Register their E-mail address and change thereto, for receiving all communications including Annual Report, Notices, and Circulars etc. from the Company electronically, by clicking the link: <https://www.bigshareonline.com/InvestorRegistration.aspx>.
  - (b) Send their queries on registered email id.: [investors@khemanigroup.net](mailto:investors@khemanigroup.net) related to accounts and operations of the Company at least 10 days in advance so that the required information can be made available at the meeting.
  - (c) Send all correspondence relating to transfer and transmission of shares to RTA and not to the Company. Quote their Folio No. / Client ID No. in their correspondence with the Registrar and Share Transfer Agent.
  - (d) Intimate RTA for consolidation of folios, in case having more than one folio.

15. Non Resident Indian Members are requested to inform the Company's RTA, immediately of any change in their residential status on return to India for permanent settlement, their bank account maintained in India with complete name, branch, account type, account number and address of the bank with pin code, IFSC and MICR Code, as applicable, if such details were not furnished earlier.
16. The facility for voting through ballot paper shall be made available at AGM and the Members attending the meeting shall be able to exercise their right at the meeting through ballot paper.
17. The cut-off date for determining eligibility to vote at the AGM shall be **Wednesday, 21<sup>st</sup> September, 2022**. The voting right of Members shall be in proportion to their shares in the paid up equity share capital of the Company as on Cut-off date.
18. The Board of Directors of the Company has appointed Mr. Bhaveshkumar Rawal, Company Secretary in Practice, Surat as the Scrutinizer to conduct and provide voting and poll facility to the Members at an AGM.
19. The Scrutinizer, after scrutinizing the votes cast at the meeting, will, not later than forty-eight (48) hours of conclusion of the Meeting, make a Consolidated Scrutinizer's Report and submit the same to the Chairman or any other person authorized by him in writing who shall declare the result of the voting forthwith. The Results declared alongwith the Consolidated Scrutinizer's Report shall be placed on the website of the Company [www.khemanigroup.net](http://www.khemanigroup.net). The results shall also be uploaded to the Stock Exchange where the shares of the company are listed within 48 hours of the conclusion of the Annual General Meeting.
20. The Registers under the Companies Act, 2013 will be available for inspection by the Members at the AGM.
21. Route Map showing directions to reach to the venue of the 11<sup>th</sup> AGM is given as per the requirement of the Secretarial Standards-2 on "General Meeting."

### **ANNEXURE TO NOTICE**

**Details of Directors seeking Appointment / Re-Appointment pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard – 2 on “General Meeting”:**

**Item No. 2:**

To appoint a Director in place of Mr. Amitkumar Khemani, Whole Time Director & CFO, who retires by rotation pursuant to the Section 152(6) of Companies Act, 2013 and being eligible, offers himself for re-appointment.

Name of the Director	Mr. Amitkumar Khemani
Director Identification Number (DIN)	02227413
Designation / Category	Whole Time Director & CFO (Executive)
Date of Birth and Age	05-10-1978; 43 Years
Date of Appointment on the Board	06-01-2011
Nationality	Indian
No. of Board Meetings attended during the year 2021-22	6 of 6
Qualifications	B.Com
Experience (including Expertise in specific functional area)	<ul style="list-style-type: none"> <li>• He has been on Board since Inception and pioneered of the Company.</li> <li>• He has over 10 Years of rich experience in the field of Trading in FMCG goods.</li> <li>• Apart from Trading Operations, he also handles overall Management Issues including Finance and Banking.</li> <li>• He has been appointed as Whole Time Director &amp; CFO of the Company w.e.f. 02-01-2016.</li> <li>• He has been instrumental in Planning and Formulating the Business Strategies and Developing Business Relations for our Company.</li> </ul>
Terms and conditions of appointment or re-appointment	<ul style="list-style-type: none"> <li>• He will be continuing as Whole Time Director &amp; CFO of the Company.</li> <li>• He will be liable to retire by rotation.</li> <li>• Remuneration terms will be applicable as per Section 197 of Companies Act, 2013.</li> </ul>
Remuneration	Rs. 9,00,000/-
Shareholding in the Company	27,600 Equity Shares (0.12%)
Directorship in the other Entities	<ul style="list-style-type: none"> <li>• BSAS Infotech Limited</li> <li>• StepUp Arogyam India Private Limited</li> <li>• Onyx SaaS Private Limited</li> </ul>
Membership / Chairmanship in Committees of the Company	Membership in: <ul style="list-style-type: none"> <li>• Audit Committee</li> <li>• Corporate Social Responsibility Committee</li> </ul>

Membership / Chairmanship in Committees (Other than Khemani Distributors and Marketing Limited)	Nil
Relationship with other Director(s), Manager and KMP	<p>Mr. Amitkumar Khemani is the</p> <ul style="list-style-type: none"> <li>• Son of Mr. Vijaykumar Khemani, Chairman &amp; Managing Director of the Company; and</li> <li>• Spouse of Mrs. Anupa Khemani, Non-Executive Director of the Company.</li> </ul>

**EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013**

**Item No. 3:**

As per the provisions of Section 188 of the Companies Act, 2013, transactions with related parties which are on an arm's length basis and in the ordinary course of business, are exempted from the obligation of obtaining prior approval of shareholders. However, as per Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014, the Company is required to obtain prior approval of the Members by resolution for certain Related Party Transactions which exceed the Limits prescribed in the said Rules.

For this purpose, a transaction with a Related Party shall be considered 'material', if such transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceed 10% or more of the Turnover of the Company as per the last audited financial statements of the Company.

This arrangement is approved by Audit Committee and the Board of Directors as required under the Companies Act, 2013 in their respective meetings held on 29<sup>th</sup> August, 2022.

Management seeks approval of Shareholders for Related Party Transaction to be entered with Khemani Enterprises, Khemani Marketing and Salasar Distribution Solutions, for the three financial years from 2022-23 till 2024-25. Accordingly, consent of the Members is being sought for Item no. 3 to be passed as a Ordinary Resolution.

Mr. Vijaykumar Khemani, being Chairman & Managing Director cum Promoter Shareholder of the Company and Karta of Vijaykumar Khemani HUF, Proprietor of Khemani Enterprises, Mr. Amitkumar Khemani, Whole Time Director and CFO cum Promoter Shareholder of the Company and Karta of Amitkumar Khemani HUF, Proprietor of Khemani Marketing and Mr. Avinash Khemani, Promoter Shareholder of the Company and Karta of Avinash Khemani HUF, Proprietor of Salasar Distribution Solutions, are treated as interested in the Resolution.

None of the other Directors, Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested, financially or otherwise, in this Resolution, as set out in Item No. 3 of this Notice except to the extent of their shareholding in the Company.

**Item No. 4:**

The Board in its Meeting held on 21<sup>st</sup> June, 2019, had approved the re-appointment of Mr. Amitkumar Khemani as a Whole-time Director & CFO of the Company for a period of 5 years alongwith a Remuneration upto Rs. 9,00,000/- p.a. and other benefits. The same was approved by the Shareholders in the Annual General Meeting held on 16<sup>th</sup> September, 2019.

The terms of remuneration as set out in the resolution may be altered, varied, and modified from time to time by the Board of Directors of the Company as it may at its discretion deem fit so as not to exceed the aforesaid limits and the limits specified in Section 197 read with Schedule V of the Companies Act, 2013 as may be agreed by the Board of Directors and Mr. Amitkumar Khemani.

In view of above, the Nomination and Remuneration Committee and the Board of Directors approved the revision in the salary of Mr. Amitkumar Khemani in their respective meetings held on 29<sup>th</sup> August, 2022.

The present remuneration and proposed revision in remuneration of Mr. Amitkumar Khemani is as follows:

<b>Particulars</b>	<b>Existing remuneration range (per annum) as approved by Members</b>	<b>Current salary drawn</b>	<b>Proposed Remuneration range (per annum)</b>
Basic Salary	Upto Rs. 9,00,000/- p.a.	Rs. 9,00,000/- p.a.	Upto Rs. 15,00,000/- p.a.
Other Benefits	<ul style="list-style-type: none"><li>• Car for Business use</li><li>• Reimbursement of expenss incurred in the course of business of the Company</li></ul>		

None of the Directors, Key Managerial Personnel of the Company and their relatives except Mr. Amitkumar Khemani, himself and his relatives, are concerned or interested, financially or otherwise, in this Resolution, as set out in Item No. 4 of this Notice.

The Board of Directors recommend the resolution as set out in Item No. 4 of the Notice for approval by the Members as a Ordinary Resolution.

By Order of the Board of Directors  
**KHEMANI DISTRIBUTORS & MARKETING LIMITED**

**VAISHALI PUNJABI**  
Company Secretary  
ACS: 48695

Place: Surat  
Date: 29-08-2022



## BOARD'S REPORT

To,  
The Members,

Your Directors have pleasure in presenting the 11<sup>th</sup> Annual Report of the Company along with the Audited Financial Statements and Auditors' Report for the financial year 2021-22.

### 1. FINANCIAL SUMMARY:-

The Financial Summary of the Company is given as below:

(Amount in Rs.)		
Particulars	F.Y. 2021-22	F.Y. 2020-21
Revenue from Operations	68,19,24,092	61,42,40,155
Other Income	66,30,995	(11,82,469)
<b>Total Income</b>	<b>68,85,55,087</b>	<b>61,30,57,686</b>
<b>Total Expenses</b>	<b>61,14,75,226</b>	<b>46,96,13,313</b>
Profit / (Loss) Before Tax & Exceptional / Extraordinary Items	7,70,79,861	14,34,44,373
Less: Exceptional / Extraordinary items	-	-
<b>Profit / (Loss) Before Tax</b>	<b>7,70,79,861</b>	<b>14,34,44,373</b>
Less: Tax Expense :		
- Current Tax	1,78,04,082	1,02,067
- Deferred Tax	9,74,049	3,35,87,878
<b>Net Profit / (Loss) After Tax</b>	<b>5,83,01,730</b>	<b>10,97,54,428</b>

### 2. PERFORMANCE REVIEW:-

During the year, KDML has recorded a Total Income of Rs. 68,85,55,087/- as compared to that of the previous year which was Rs. 61,30,57,686/-. Accordingly, the Profit after tax of the Company was Rs. 5,83,01,730/- as compared to the Profit after tax of the previous year of Rs. 10,97,54,428/-.

Your Directors are hopeful and committed to improving the profitability of the Company in the coming year. The Directors are mainly aiming to achieve this by the provision of quality services, wide-spreading its services, the addition of new services into its portfolio, and capitalizing on the opportunities provided by the industry and the market.

### 3. TRANSFER TO RESERVES:-

The Board of Directors has decided to retain the entire amount of Profit for the financial year 2021-22 in the statement of Profit and Loss.

#### **4. DIVIDEND:-**

The Board of Directors of the Company have not recommended any Dividend for the F.Y. 2021-22.

#### **5. DEPOSITS:-**

During the year under review, the Company has not accepted or renewed any deposit from the public falling within the ambit of section 73 of Companies Act 2013 and the Companies (Acceptance of Deposits) Rules, 2014.

#### **6. DIRECTORS AND KEY MANAGERIAL PERSONNEL:-**

During the Year under review, there has been no change in the Board of Directors and Key Managerial Performance of the Company and as on 31<sup>st</sup> March, 2022.

The Board comprises of the following Directors and KMP at the beginning and the end of financial year, who have wide and varied experience in different disciplines of corporate functioning:

- |                          |                                |
|--------------------------|--------------------------------|
| • Mr. Vijaykumar Khemani | - Chairman & Managing Director |
| • Mr. Amitkumar Khemani  | - Whole Time Director & CFO    |
| • Mrs. Anupa Khemani     | - Non-Executive Director       |
| • Mr. Amit Jain          | - Independent Director         |
| • Mr. Balkishan Agarwal  | - Independent Director         |
| • Mr. Mukeshkumar Kabra  | - Independent Director         |
| • Ms. Vaishali Punjabi   | - Company Secretary            |

As per the provisions of the Companies act, 2013, Mr. Amitkumar Khemani, Whole Time Director & CFO of the Company retires by rotation at the ensuing Annual General Meeting and being eligible, seeks re-appointment. Relevant resolution (Ordinary) seeking Shareholders approval forms part of the Notice.

The Board confirms that none of the Directors of the Company are disqualified from being appointed as Director in terms of Section 164 of the Companies Act, 2013 and necessary declaration has been obtained from all the Directors in this regard.

#### **7. DECLARATION FROM INDEPENDENT DIRECTORS:-**

The Company has received the following declarations from all the Independent Directors confirming that:

- They meet the criteria of independence as prescribed under the provisions of the Companies Act, read with the Schedule and Rules issued thereunder, and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. There has been no change in the circumstances affecting their status as Independent Directors of the Company; and
- They have registered themselves with the Independent Director's Database maintained by the IICA.

## **8. DIRECTORS' RESPONSIBILITY STATEMENT:-**

Pursuant to the provisions of Section 134 of the Companies Act, 2013, the Board of Directors to the best of their knowledge and ability, confirm that-

- (i) in the preparation of the Annual Accounts for the year ended 31<sup>st</sup> March, 2022, the applicable accounting standards have been followed and no material departures have been made for the same;
- (ii) appropriate accounting policies have been selected and applied them consistently and judgments and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year 31<sup>st</sup> March, 2022 and of the profit of the Company for that period;
- (iii) proper and sufficient care have been taken for maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) the annual accounts have been prepared on a "going concern" basis;
- (v) the internal financial controls laid down are properly followed and are adequate and operating effectively;
- (vi) the proper systems to ensure compliance with the provisions of all applicable laws have been devised and such systems were adequate and operating effectively.

## **9. EXTRACT OF ANNUAL RETURN:-**

Pursuant to Section 92(3) of the Act read with the Companies (Management and Administration) Rules, 2014, the Annual Return in the Form MGT-7 as on March 31, 2022 is available on the Company's website [www.khemanigroup.net](http://www.khemanigroup.net).

## **10. SHARE CAPITAL:-**

### **Authorised Share Capital:**

The Authorised Share Capital of the is Rs. 11,50,00,000/- (Rupees Eleven Crore Fifty Lakh Only) divided into 2,30,00,000 (Two Crore Thirty Lakh) equity shares of Rs. 5/- (Rupees Five) each. There has been no change in the Authorized Share Capital of the Company in the financial year.

### **Issued and Paid Up Share Capital:**

The Company has Paid-Up Share Capital of Rs. 11,48,70,000/- (Rupees Eleven Crore Forty Eight Lakh Seventy Thousand) consisting of 2,29,74,000 (Two Crore Twenty Nine Lakh Seventy Four Thousand) equity shares of Rs. 5/- each as on 31<sup>st</sup> March, 2022.

## **11. PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS:-**

Details of Loans, Guarantees and Investments made by the Company pursuant to the provisions of Section 186 of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014 during the year under review are provided in the notes to the Financial Statements.



## **12. RELATED PARTY TRANSACTIONS:-**

During the year under review, all the transactions with related parties were reviewed and approved by the Audit Committee of the Company.

Accordingly, details of the same that are required to be reported in form AOC-2 in terms of Section 134 of the Companies Act, 2013 is attached herewith as **Annexure-1**. Also as per Indian Accounting Standards, the same has been provided in the notes to the Financial Statements.

## **13. MEETINGS OF BOARD OF DIRECTORS & COMMITTEES:-**

During the financial year ended on March 31, 2022, the Board of Directors met **6 (Six) Times**. The maximum interval between any two meetings did not exceed 120 days. The prescribed quorum was presented for all the Meetings and Directors of the Company actively participated in the meetings and contributed valuable inputs on the matters brought before the Board of Directors from time to time.

The details pertaining to the constitution and composition of Committees of the Board and their meetings held during the year are provided in **Annexure-2**.

## **14. MEETINGS OF MEMBERS:-**

During the year under review, 10<sup>th</sup> Annual General Meeting of the Company was held on 22<sup>nd</sup> September, 2021. No Extra-Ordinary General Meeting was held during the year.

## **15. RATIO OF DIRECTORS' REMUNERATION TO MEDIAN EMPLOYEES' REMUNERATION AND OTHER DISCLOSURES:-**

Pursuant to provisions of Section 197 of Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the details of employees given in the **Annexure-3**.

During the year, none of the employees received remuneration in excess of the prescribed limit in accordance with the provisions of Section 197 of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. Therefore, there is no information to disclose in terms of the provisions of the Companies Act, 2013.

## **16. AUDITORS:-**

### **(A) STATUTORY AUDITORS:-**

As Members must be aware that pursuant to provisions of Section 139 of the Companies Act, 2013, B. Chordia & Co., Chartered Accountants, were appointed as Statutory Auditors of the Company for period of five years commencing from the conclusion of 10<sup>th</sup> Annual General Meeting till the conclusion of 15<sup>th</sup> Annual General Meeting

The Auditors have issued an unmodified opinion on the Financial Statements for the financial year ended 31<sup>st</sup> March, 2022. Notes to Accounts and Auditors remarks in their report are self-explanatory and do not call for any further comments. The Auditors has not reported any matter of an offence of fraud to the Company required to be disclosed under Section 143(12) of the Companies Act, 2013. The said Auditors' Report for the financial year ended 31<sup>st</sup> March, 2022 on the financial statements of the Company forms part of this Annual Report.

The Auditors' Report does not contain any reservations, qualifications or adverse remarks. However, there is an observation in the Statutory Audit Report stating that *"The Company have pending Litigation which is pending before Appellant Authorities."* In this regard, Management is of the view that Demand from Income Tax Department is unjustified, against which Company has filed appeal before Appellant Authorities against the pending litigation.

**(B) INTERNAL AUDITORS:-**

Pursuant to the provisions of Section 138 of the Companies Act, 2013 and the Companies (Accounts) Rules, 2014, the Board based on the Recommendation of Audit Committee, appointed Ravindra Dhakar & Associates, Chartered Accountants, Surat as an Internal Auditor of the Company for conducting Internal Audit of the Company for F.Y. 2021-22.

**(C) SECRETARIAL AUDITORS :**

The Board had appointed Mr. Bhaveshkumar Rawal, Company Secretary in Practice, Surat, to carry out Secretarial Audit of the Company under the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, for the financial year 2021-22.

**(D) COST AUDITORS:-**

Provisions related to Cost Auditor are not applicable to the Company.

**17. SECRETARIAL AUDIT:-**

The Report of the Secretarial Auditor in form MR-3 for the Financial Year 2021-22 is annexed to this report as **Annexure-4**.

The Company has complied with Secretarial Standards issued by the Institute of Company Secretaries of India on Meetings of the Board of Directors, Committees and General Meetings.

There are no adverse remarks or qualifications in the Secretarial Audit Report, hence do not call for any further explanation/s by the Company.

**18. CREDIT RATING:-**

No Credit Rating has been done by the Company during the year.

**19. BOARD EVALUATION:-**

Pursuant to the provisions of Section 134 of Companies Act, 2013 read with Companies Accounts Rules, 2014 and SEBI (Listing Obligation and Disclosure Requirement) Regulation, 2015, annual evaluation of the performance of the Board, its Committees and of Individual Directors has been made.

During the year, the Evaluation cycle was completed by the Company internally which included the evaluation of the Board as a whole, Board Committees and Directors. The Evaluation process focused on various aspects of the Board and Committees functioning such as composition of the Board and Committees, experience, performance of duties and governance issues etc. Separate exercise was carried out to evaluate the performance of individual Directors on parameters such as contribution, independent judgment and guidance and support provided to the Management, presence at the Board meeting, general meetings and inputs in the discussion of the meeting and decision taking power, roles played as per their designation in the Company.

**20. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNING AND OUTGO:-**

The information on Conservation of Energy, Technology absorption, Foreign Exchange earnings and outgo, as stipulated under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014, is as below:

<b>Particulars</b>	<b>F.Y. 2021-22</b>	<b>F.Y. 2020-21</b>
Conservation of Energy	<ul style="list-style-type: none"> <li>• The Company is engaged in Trading Sector.</li> <li>• The Company is using electricity and generators in office and Regular steps have been taken to improve energy consumption by using LED lights in office premises.</li> <li>• Your Company is using Electricity as source of energy only.</li> </ul>	
Technology Absorption	NIL	NIL
Foreign Exchange Earnings	NIL	NIL
Foreign Exchange Expenditure	NIL	NIL

**21. INTERNAL FINANCIAL CONTROL SYSTEM AND THEIR ADEQUACY:-**

The Company has an adequate system of internal controls in place, commensurate with the size and nature of its business. These controls have been designed to provide a reasonable assurance with regard to maintaining of proper accounting controls for ensuring reliability of financial reporting, monitoring of operations, protecting assets from unauthorized use or losses, compliance with regulations.

## **22. CORPORATE GOVERNANCE:-**

Pursuant to Regulation 15(2) of SEBI (Listing Obligation and Disclosure Requirement) Regulation, 2015, the Compliance with the Corporate Governance provisions shall not apply in respect of the following class of the Companies:

- (a) Listed entity having paid up equity share capital not exceeding ₹10 Crore and Net Worth not exceeding Rs. 5 Crore, as on the last day of the previous financial year;
- (b) Listed entity which has listed its specified securities on the SME Exchange.

Since, our Company falls within the ambit of aforesaid exemption (b); hence compliance with the provision of Corporate Governance shall not apply to the Company and it does not form the part of the Annual Report for the financial year 2021-2022.

However, It is pertinent to mention that the Company follows majority of the provisions of the corporate governance voluntarily as a part of Good Corporate Governance.

## **23. VIGIL MECHANISM (WHISTLE BLOWER POLICY):-**

The Company has formulated and published a Whistle Blower Policy to provide Vigil Mechanism for employees including directors of the Company to report genuine concerns about unethical behavior. No person has been denied access to the Chairman of the Audit Committee. The provisions of this policy are in line with the provisions of the Section 177(9) of the Act and as per SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

The Vigil Mechanism / Whistle Blower Policy is available on the Company's website [www.khemanigroup.net](http://www.khemanigroup.net). During the year under review, there were no instances of whistle blowers.

## **24. JOINT VENTURES, SUBSIDIARIES AND ASSOCIATES:-**

As on 31<sup>st</sup> March, 2022, your Company does not have any Joint Ventures, Subsidiaries and Associates Company.

## **25. CORPORATE SOCIAL RESPONSIBILITY [CSR]:-**

Pursuant to the provisions of Section 135 of the Companies Act, 2013 read with rules framed thereunder, your Company has adopted CSR Policy to ensure Social Responsibilities. The CSR Policy is available on the Company's website [www.khemanigroup.net](http://www.khemanigroup.net).

In view of Negative Average Profit before tax of preceding 3 years, your Company was not required to undertake CSR projects during the financial year 2021-22 under the provisions of section 135 of the Companies Act, 2013 and the rules made their under.

**26. MANAGERIAL REMUNERATION:-**

The Company has paid Rs. 10,80,000/- as Remuneration to the Directors during the year:

<b>Sr. No.</b>	<b>Name of Directors</b>	<b>Designation</b>	<b>Remuneration (in Rs.)</b>
1	Mr. Vijaykumar Khemani	Chairman & Managing Director	1,80,000/-
2	Mr. Amitkumar Khemani	Whole Time Director & CFO	9,00,000/-

**27. DISCLOSURES UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION & REDRESSAL) ACT, 2013:-**

As per requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, the Company has already maintained an internal policy to prevent women's harassment at work and covered all employees so they could directly make complaints to the management or Board of Directors if such situation arises. Further, the Company ensures that there is a healthy and safe atmosphere for every women employees at the workplace.

The Management and Board of Directors together with confirm a total number of complaints received and resolved during the year is as follows:

- No. of Complaints received : NIL
- No. of Complaints disposed : NIL

**28. MAINTENANCE OF COST RECORDS:-**

The Company is not required to maintain Cost Records as specified by Central Government under section 148(1) of the Companies Act, 2013, and accordingly such accounts and records are not made and maintained.

**29. MANAGEMENT'S DISCUSSION AND ANALYSIS REPORT:-**

Pursuant to the provisions of Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Management's Discussion and Analysis Report capturing your Company's performance, industry trends and other material changes with respect to your Company is attached to this report as **Annexure-5**.

**30. AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE:-**

The Company being listed on the SME Platform of BSE Limited. Hence, as per the exemptions available to SME Listed Companies, Auditors' Certificate on Corporate Governance is not provided.



### **31. DECLARATION REGARDING COMPLIANCE BY BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL WITH THE COMPANY'S CODE OF CONDUCT:**

The Code of Conduct of the Company aims at ensuring consistent standards of conduct and ethical business practices across the Company. All the Board Members and Senior Management Personnel have affirmed compliance with the Code on annual basis. In this regard certificate from Managing Directors as required under Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 has been received by the Board and the same is attached to this report as **Annexure-6**.

### **32. MD / CFO CERTIFICATION:-**

In terms of Regulation 17(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, the Managing Director and CFO have certified the accuracy of the Financial Statements and adequacy of Internal Control Systems for financial reporting for the year ended 31<sup>st</sup> March, 2022. The certificate is attached herewith as per **Annexure-7**.

### **33. ACQUISITION OF COMPANY VIA CIRP PROCESS:-**

Your Company has acquired Zicom SaaS Private Limited (Zicom) through NCLT Proceedings via NCLT Order dated 16<sup>th</sup> December, 2021 by creating a separate entity namely SPV, Onyx SaaS Private Limited. Accordingly, an Investment in various tranches will be done by your Company in Onyx SaaS Private Limited. The Company Onyx SaaS will support Zicom to revive its Operations. Zicom on other hand is engaging new technical as well as administrative staff alongwith the retention of existing employees through its best possible efforts.

### **34. MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY BETWEEN THE END OF THE FINANCIAL YEAR AND THE DATE OF THE BOARD REPORT:-**

There have been no material changes and commitments, which affect the financial position of the company which have occurred between the end of the financial year to which the financial statements relate and the date of this Report.

### **35. RISK MANAGEMENT:-**

In today's economic environment, Risk management is a very important and integral part of the Company's strategy and for the achievement of our long-term goals. The main aim of risk management is to identify, monitor and take precautionary measures in respect of the events that may pose risks for the business. The Directors of the Company take pro-active steps to minimize adverse impact on the business objectives and enhance the Company's competitive advantage.

Your Company's risk management is embedded in the business processes. Your company has identified the certain risk like price risk, uncertain global economic environment, human resource, competition, compliance and industrial health and safety risk and also planned to manage such risk by leveraging on their expertise and experience. Every step has taken to adhere to the risk evaluation and reduction before every crucial business decisions.

The Company has been exempt under Regulation 21 of the SEBI (Listing Obligation and Disclosure requirements) Regulations, 2015 from reporting of risk management.

**36. CHANGE IN THE NATURE OF BUSINESS:-**

For sustained growth in the future, Company wants to rely on its main business only. Hence, there is no change in the nature of the business of the Company during the year.

**37. INSURANCE:-**

Your Company has taken appropriate insurance for all assets against foreseeable perils.

**38. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS:-**

During the year under review, no significant or material orders were passed by the Regulators or Courts or Tribunals which would impact the going concern status of the Company and its operations in future.

**39. AWARDS AND RECOGNITION:-**

During the year under review, your Company's work has been recognized and appreciated for the massive contribution in doing exceptional work done by Hindustan Unilever Limited.

**40. SECRETARIAL STANDARDS COMPLIANCE:-**

The Company has ensured compliance with the mandated Secretarial Standard I & II issued by the Institute of Company Secretaries of India with respect to Board Meetings and General Meetings respectively and approved by the Central Government under section 118(10) of the Companies Act, 2013.

**41. DISCLOSURE REGARDING PROCEEDINGS UNDER INSOLVENCY AND BANKRUPTCY CODE (IBC), 2016:-**

During the year under review, your Company has neither made any Application nor any Proceedings are pending under the Insolvency and Bankruptcy Code (IBC), 2016.

**42. DISCLOSURE ABOUT THE DIFFERENCE BETWEEN THE AMOUNTS OF THE VALUATION EXECUTED AT THE TIME OF ONE TIME SETTLEMENT AND THE VALUATION DONE WHILE TAKING LOAN FROM THE BANKS OR FINANCIAL INSTITUTIONS ALONG WITH THE REASONS THEREOF:-**

During the year under review, your Company was not required to do any Valuation while taking Loan from the Banks or Financial Institution.

#### **43. GREEN INITIATIVES:-**

In commitment to keep in line with the Green Initiative and going beyond it to create new green initiatives, electronic copy of the 11<sup>th</sup> Annual Report of the Company will be sent to all Members via e-mail whose mail addresses are registered with the Company. For members who have not registered their e-mail addresses, physical copies will be sent through the permitted mode.

#### **44. CAUTIONARY STATEMENT:-**

The Annual Report including those which relate to the Board's Report, Management Discussion and Analysis Report may contain certain statements on the Company's intent expectations or forecasts that appear to be forward-looking within the meaning of applicable securities laws and regulations while actual outcomes may differ materially from what is expressed herein. The Company bears no obligations to update any such forward looking statement. Some of the factors that could affect the Company's performance could be the demand and supply for Company's product and services, changes in Government regulations, tax laws, etc.

#### **45. ACKNOWLEDGEMENT:-**

Your Directors would like to express their gratitude and appreciation for the assistance and co-operation received from the customers, shareholders, suppliers, bankers, business partners/associates, auditors, consultants, financial institutions, regulatory and government authorities for their consistent support. The Directors appreciate and value the contribution made by every Members of the Company.

Your Directors also wish to place on record their appreciation for the committed services by the executives, staff and employees of the Company.

For and on behalf of the Board

**KHEMANI DISTRIBUTORS AND MARKETING LIMITED**

**VIJAYKUMAR KHEMANI**

Chairman & Managing Director

DIN: 02227389

**AMITKUMAR KHEMANI**

Whole Time Director & CFO

DIN: 02227413

Place: Surat

Date: 29-08-2022



**ANNEXURE – 1****FORM AOC - 2**

***Pursuant to clause (h) of sub-section (3) of Section 134 of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014.***

Form for Disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arm's length transaction under third proviso thereto.

**1. Details of contracts or arrangements or transactions not at arm's length basis:**

Sr. No.	Particulars	Details
a.	Name(s) of the related party and nature of relationship	NIL
b.	Nature of contracts / arrangements / transactions	NIL
c.	Duration of the contracts / arrangements / transactions	NIL
d.	Salient terms of the contracts or arrangements or transactions including the value, if any	NIL
e.	Justification for entering into such contracts or arrangements or transactions	NIL
f.	Date of approval by the Board	NIL
g.	Amount paid as advances, if any	NIL
h.	Date on which the special resolution was passed in general meeting as required under first proviso to Section 188	NIL

**2. Details of material contracts or arrangements or transactions at arm's length basis:**

The Company did not have any material related party transaction during the Financial Year 2021-22. All related party transactions, which were not material in nature, entered by the Company were in the ordinary course of business and on an arm's length basis.

**3. Details of other contracts or arrangements or transactions at arm's length basis:**

Sr. No.	Particulars	Details	
a.	Name(s) of the Related Party and	Sushila Devi Khemani	Sanju Khemani
b.	Nature of Relationship with Related Party	Wife of Shri Vijaykumar Khemani	Daughter in Law of Shri Vijaykumar Khemani
c.	Nature of contracts / arrangements / transactions	Written Agreement	Written Agreement

d.	Duration of the contracts / arrangements / transactions	Rent Agreement for the period of 10 Years	Rent Agreement for the period of 10 Years
e.	Salient terms of the contracts or arrangements or transactions including the value, if any	Rs. 1,68,000/- p.a.	Rs. 1,44,000/- p.a.
f.	Date of approval by the Board	06-09-2017	28-07-2016
g.	Amount paid as advances, if any	Nil	Nil

For and on behalf of the Board

**KHEMANI DISTRIBUTORS AND MARKETING LIMITED**

**VIJAYKUMAR KHEMANI**

Chairman & Managing Director

DIN: 02227389

**AMITKUMAR KHEMANI**

Whole Time Director & CFO

DIN: 02227413

Place: Surat

Date: 29-08-2022

**ANNEXURE – 2**

## **CONSTITUTION & COMPOSITION OF BOARD AND BOARD COMMITTEES**

**1. Composition and Category of Directors of the Board:-**

The Company has an optimum combination of Executive and Non-Executive Directors. The Board comprises of 6 (Six) Directors out of which 2 (Two) are Executive Directors, 1 (One) is Non-Executive Non-Independent Director and remaining 3 (Three) are Non-Executive Independent Directors.

The Directors possess experience and specialization in diverse fields, such as human resource, business strategy & innovation, marketing, banking, finance and administration. They reflect a judicious mix of professionalism, competence and sound knowledge which enables the Board to provide effective leadership to the Company.

The particulars of Directors seeking appointment / re-appointment by the Members have been included in the Notice of the Annual General Meeting.

The Composition of the Board, category of Directors and details of shares held by them are as under:

<b>Category</b>	<b>Name of the Directors</b>	<b>Designation</b>	<b>No. of Shares held as on March 31, 2022</b>
Promoter Executive Directors	Vijaykumar Khemani	Chairman & Managing Director	47,94,000
	Amitkumar Khemani	Whole Time Director & CFO	27,600
Promoter Non-Executive Director	Anupa Khemani	Director	11,280
Non-Executive Independent Directors	Amit Jain	Independent Director	-
	Balkishan Agarwal	Independent Director	-
	Mukeshkumar Kabra	Independent Director	-

None of the Director is a Director in more than 10 Public Limited Companies or acts as an Independent Director in more than 7 Listed Companies. Further, none of the Directors on the Company's Board is a Member of more than 10 (ten) Committees and Chairman of more than 5 (five) Committees (Committees being, Audit Committee and Stakeholders' Relationship Committee) across all the Companies in which he/she is a Director. All the Directors have made necessary disclosures regarding Committee positions held by them in other companies and do not hold the office of Director in more than 10 (ten) Public Limited Companies as on 31<sup>st</sup> March, 2022.

The composition of the Board is in conformity with the Regulation 17 of the SEBI Listing Regulations read with Section 149 of the Companies Act, 2013.

During the year, 6 (Six) Board Meetings were held. The intervening gap between the Meetings did not exceed the period prescribed under the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Agenda for the Board Meetings together with the appropriate supporting documents and relevant information are circulated well in advance of the meetings to enable the Board to take informed decisions.

The details of which are as follow:

<b>Sr. No.</b>	<b>Date of Meetings</b>	<b>Board Strength</b>	<b>Director's Present</b>
1	17-05-2021	6	6
2	22-06-2021	6	6
3	25-08-2021	6	5
4	01-11-2021	6	6
5	31-01-2022	6	5
6	15-03-2022	6	6

The Attendance of Directors at the Board Meetings and at the last AGM are as under:

<b>Name of Director(s)</b>	<b>Number of Board Meetings held and attended during F.Y. 2021-22</b>		<b>Attended Last AGM</b>
	<b>Held</b>	<b>Attended</b>	
Mr. Vijaykumar Khemani	6	6	Yes
Mr. Amitkumar Khemani	6	6	Yes
Mrs. Anupa Khemani	6	6	Yes
Mr. Amit Jain	6	5	Yes
Mr. Balkishan Agarwal	6	6	No
Mr. Mukeshkumar Kabra	6	5	Yes

## **2. Committees of the Board:-**

Your Company has in place, all the Committee(s) as mandated under the provisions of the Act and Listing Regulations. Currently, there are five Committees of the Board, namely:

- A. Audit Committee
- B. Nomination and Remuneration Committee
- C. Stakeholder Relationship Committee
- D. Corporate Social Responsibility Committee
- E. Independent Director Committee

**A. Audit Committee: -**

The Audit Committee comprises of Mr. Mukeshkumar Kabra, Mr. Balkishan Agarwal and Mr. Amitkumar Khemani. The composition of the Committee is in compliance with the requirements of Section 177 of the Act and Regulation 18 of the Listing Regulations.

The charter of the Committee is in conformity with the Act and the Listing Regulations.

During the financial year 2021-22, the Committee met 3 (Three) times on 22<sup>nd</sup> June, 2021, 25<sup>th</sup> August, 2021 & 1<sup>st</sup> November, 2021.

The details of composition of the Committee and their attendance at the meetings are given below:

Name	Designation	No. of Meetings attended	
		Held	Attended
Mr. Mukeshkumar Kabra	Chairman	3	2
Mr. Balkishan Agarwal	Member	3	3
Mr. Amitkumar Khemani	Member	3	3

**B. Nomination and Remuneration Committee:-**

The Nomination and Remuneration Committee Committee comprises of Mr. Amit Jain, Mr. Balkishan Agarwal and Mrs. Anupa Khemani. The composition of the Committee is in compliance with the requirements of Section 178 of the Act and Regulation 19 of the Listing Regulations.

The terms of reference of the Committee are in conformity with the said requirements.

During the financial year 2021-22, the Committee met 2 (Two) times on 22<sup>nd</sup> June, 2021, and 25<sup>th</sup> August, 2021.

The details of composition of the Committee and their attendance at the meetings are given below:

Name	Designation	No. of Meetings attended	
		Held	Attended
Mr. Amit Jain	Chairman	2	2
Mr. Balkishan Agarwal	Member	2	2
Mrs. Anupa Khemani	Member	2	2

**C. Stakeholders' Relationship Committee:-**

The Stakeholders' Relationship Committee Committee comprises of Mr. Mukeshkumar Kabra, Mr. Amit Jain and Mr. Vijaykumar Khemani. The composition of the Committee is in compliance with the requirements of Section 178 of the Act and Regulation 20 of the Listing Regulations.

During the financial year 2021-22, the Committee met 3 (Three) times on 22<sup>nd</sup> June, 2021, 25<sup>th</sup> August, 2021 & 1<sup>st</sup> November, 2021.

The terms of reference of the Committee are in conformity with the said requirements.

The details of composition of the Committee and their attendance at the meetings are given below:

Name	Designation	No. of Meetings attended	
		Held	Attended
Mr. Mukeshkumar Kabra	Chairman	3	2
Mr. Amit Jain	Member	3	3
Mr. Vijaykumar Khemani	Member	3	3

During the year, the Company has not received any complaints from the Shareholders of the Company. There were no outstanding complaints as on 31<sup>st</sup> March, 2022.

#### **D. Corporate Social Responsibility Committee [CSR]:-**

The Corporate Social Responsibility Committee comprises of Mr. Mukeshkumar Kabra, Mr. Vijaykumar Khemani and Mr. Amitkumar Khemani.

The Company has constituted a CSR Committee as required under Section 135 of the Companies Act, 2013 and rules framed there under.

During the Financial year 2021-22, the Committee met 1 (One) time on 25<sup>th</sup> August, 2021.

The details of composition of the Committee and their attendance at the meetings are given below:

Name	Designation	No. of Meetings attended	
		Held	Attended
Mr. Mukeshkumar Kabra	Chairman	1	-
Mr. Vijaykumar Khemani	Member	1	1
Mr. Amitkumar Khemani	Member	1	1

During the year, the Company has not undertaken any CSR activity due to Negative average profit of previous three financial years.

#### **E. Independent Director Committee:-**

During the Financial year 2021-22, the Committee met 1 (One) time on 1<sup>st</sup> November, 2021.

The details of composition of the Committee and their attendance at the meetings are given below:

Name	Designation	No. of Meetings attended	
		Held	Attended
Mr. Amit Jain	Chairman	1	1
Mr. Balkishan Agarwal	Member	1	1
Mr. Mukeshkumar Kabra	Member	1	1

For and on behalf of the Board

**KHEMANI DISTRIBUTORS AND MARKETING LIMITED**

**VIJAYKUMAR KHEMANI**

Chairman & Managing Director

DIN: 02227389

**AMITKUMAR KHEMANI**

Whole Time Director & CFO

DIN: 02227413

Place: Surat

Date: 29-08-2022



**ANNEXURE – 3**

## **RATIO OF DIRECTORS' REMUNERATION TO MEDIAN EMPLOYEES' REMUNERATION AND OTHER DISCLOSURE**

*[Pursuant to Section 197 of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]*

- (i) The Ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2021-22 and the percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary in the financial year 2021-22:-

<b>Sr. No.</b>	<b>Name of Directors / KMP</b>	<b>Designation</b>	<b>Ratio of remuneration to median remuneration of Employees*</b>	<b>% increase in remuneration in the financial year</b>
1.	Vijaykumar Khemani	Chairman & Managing Director	1.00	0.00
2.	Amitkumar Khemani	Whole-time Director & CFO	5.00	0.00
3.	Anupa Khemani	Director	0.00	0.00
4.	Amit Jain	Independent Director	0.00	0.00
5.	Balkishan Agarwal	Independent Director	0.00	0.00
6.	Mukeshkumar Kabra	Independent Director	0.00	0.00
7.	Vaishali Punjabi	Company Secretary	2.27	13.33

*\*Note: The median is calculated on gross annual salary on the basis of salary of March-2022 of the employee.*

- (ii) the percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year is 13.33.
- (iii) the percentage increase in the median remuneration of employees in the financial year is (0.04).
- (iv) the number of permanent employees on the rolls of Company is 22.
- (v) average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:-
- Average increase in remuneration of Employees excluding KMPs: 11%
  - Average increase in remuneration of KMPs: 13%



(vi) affirmation that the remuneration is as per the remuneration policy of the Company:- The Company affirms remuneration is as per the Remuneration Policy of the Company.

For and on behalf of the Board  
**KHEMANI DISTRIBUTORS AND MARKETING LIMITED**

**VIJAYKUMAR KHEMANI**  
Chairman & Managing Director  
DIN: 02227389

**AMITKUMAR KHEMANI**  
Whole Time Director & CFO  
DIN: 02227413

Place: Surat  
Date: 29-08-2022

## **SECRETARIAL AUDIT REPORT [FORM - MR-3]**

**For the Financial Year ended 31<sup>st</sup> March, 2022**

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,

The Members

**KHEMANI DISTRIBUTORS & MARKETING LIMITED**

Plot No.-D/91-92, Laxminarayan Industrial Park,

BRC Compound, Udhna, Bhestan,

Surat-394210 (Gujarat)

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **KHEMANI DISTRIBUTORS & MARKETING LIMITED** (CIN:-L74300GJ2011PLC063520) (hereinafter called the 'Company'). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Khemani Distributors & Marketing Limited books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of Secretarial Audit and the representations made by the Company, I hereby report that in my opinion, the Company has, during the audit period covering the Financial Year ended on 31<sup>st</sup> March, 2022 generally complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records made available to me and maintained by the Company for the Financial Year ended on 31<sup>st</sup> March, 2022 according to the applicable provisions of:

- I. The Companies Act, 2013 (the Act) and the Rules made thereunder;
- II. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;
- III. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- IV. Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- V. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') to the extent applicable during the year;
  - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

- b. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- c. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; **The regulation is not applicable during the Financial Year 2021-22.**
- d. The Securities and Exchange Board of India (Issue and listing of Debt Securities) Regulations, 2008; **The regulation is not applicable during the Financial Year 2021-22.**
- e. The Securities and Exchange Board of India (Registrar to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- f. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 & (Amendment) Regulations, 2016; **The regulation is not applicable during the Financial Year 2021-22;** and
- g. The Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018; **The regulation is not applicable during the Financial Year 2021-22.**

VI. **I further report that**, having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof on test-check basis, the Company has complied with the following laws applicable specifically to the Company (i.e. Other laws specifically applicable to the Company, as listed below, as per the representations made by representative of the Company):-

- a. Income Tax Act, 1961

**REPORTING COMMENT:-** As reported by Statutory Auditor in its Audit Report *"The Company have pending litigation which is pending before Appellant Authorities."*

*As mentioned in point no. VII(b) of Annexure "A" to the Auditor's Report:-*

*"A.Y. 2015-16 Rs. 86,13,007*

*A.Y. 2016-17 Rs. 10,48,416*

*A.Y. 2017-18 Rs. 1,03,74,530 Income Tax"*

- b. Goods & Services Tax and Indirect Taxes
- c. The Trade Mark Act, 1999
- d. The Employee State Insurance Act, 1948
- e. The Employee Provident Fund and Miscellaneous Act, 1952
- f. Food Safety and Standards Act, 2006
- g. The Drugs and Cosmetics Act, 1940

I have also examined compliance with the applicable clauses of the following:

- i. Secretarial Standards issued by The Institute of Company Secretaries of India with respect to Board Meetings (SS-1) and General Meetings (SS-2).
- ii. The Listing Agreements entered into by the Company with BSE-SME Stock Exchange read with the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, Listing Agreements, etc. mentioned above.

**I further report that** based on the information provided by the company, its officers and authorised representative during the conduct of the audit, in my opinion, adequate systems and processes and control mechanism exist in the company to monitor and ensure compliance with applicable general laws.

**I further report that** the compliance by the company of applicable financial laws, like direct and indirect tax laws, has not been reviewed in this audit since the same have been subject to review by statutory financial audit and other designated professionals.

**I further report that,** the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non- Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance other than those held at shorter notice, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

As per the minutes of the meetings duly recorded and signed by the chairman, the decisions at the Board Meetings were taken unanimously.

**I further report that** there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines. My examination was limited to the verification of procedures on testbasis and the report provides not absolute but, reasonable assurance.

**I further report that** during the audit period, the Board of Directors has not recommended/declared any dividend, hence there has been no delay in transferring amounts, required to be transferred, to Investor Education and Protection fund by the Company.

**I further report that** during the audit period, the Company has filed petition to the Central Government / Regional Director for condonation of Delay u/s 87 with reference to the Loan repaid by the Company as on 04/07/2017 but failed to file form CHG-4 within 30 days. Therefore the company has filed petition for condonation of delay in form CHG-8 as on 20/05/2021. Further, RD order received by the Company as on 02/08/2021 by order no. RD(NWR)/87/2020-21/1088, allowing/accepting Condonation of Delay for the period from 03/08/2017 to 13/05/2021 subject to payment of Rs. 12,000 as a cost of condonation. The Company has filed form INC-28 as on 03/08/2021 with paying cost of condonation of Rs. 12,000.

**I report further that**, during the audit period, there were no specific events/actions in pursuance of the aforesaid laws, rules, regulations, etc. having a major bearing on the Company's affairs.

**Date: 26-08-2022**  
**Place: Surat**

**BHAVESHKUMAR RAWAL**  
**COMPANY SECRETARY**  
**M. No.:- F-8812, CP No.:- 10257**  
**UDIN:- F008812D000853084**  
**Peer Review Certificate No.:1041/2020**

*"This report is to be read with my letter which is annexed as "Annexure A" and forms an integral part of this report."*



**“Annexure – A”**

To,

The Members

**KHEMANI DISTRIBUTORS & MARKETING LIMITED**

Plot No. D/91-92, Laxminarayan Industrial Park, BRC Compound,  
Udhna, Bhestan, Surat-394210, Gujarat

My report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test check basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Wherever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

**Date: 26-08-2022**

**Place: Surat**

**BHAVESHKUMAR RAWAL  
COMPANY SECRETARY**

**M. No.:- F-8812, CP No.:- 10257**

**UDIN:- F008812D000853084**

**Peer Review Certificate No.:1041/2020**

## **MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

### **INDUSTRY STRUCTURE AND DEVELOPMENTS**

**The operating environment this year continued to remain volatile and challenging. Our strategy is constantly evolving to adapt to the trends and forces shaping our markets and impacting our stakeholders.**

Fast-Moving Consumer Goods (FMCG) industry continues to be one of the biggest long-term sustainable business opportunities that our country offers. Despite being one of the fastest growing markets globally for FMCG products, India's per capita FMCG consumption is still amongst the lowest in the world. Rural markets account for more than 60% of our country's population and contribute to just about 30% of FMCG consumption; thus, offering significant headroom for growth. Rising affluence, large working population, nuclear family structures, urbanisation and rapidly increasing adoption of technology will positively impact the growth of FMCG industry in the country.

The COVID crisis, which had impacted lives and livelihood across the world and thrown economies into distress, continued to cause havoc in 2021-22. The year saw the emergence of the delta variant of COVID which left behind a trail of destruction and deaths. While the situation improved by second quarter, the emergence of the Omicron variant towards the end of December once again threw a spanner in the global economy leading to fresh mobility restrictions and slow-down in economic activity.

The year 2021-22 was also characterised by high inflation, supply side constraints, currency and commodity volatility and unforeseen geo-political tensions at levels which had not been seen before. This was further aggravated by the Russia-Ukraine crisis which began in February 2022 leading to a sharp increase in commodity prices. The year also witnessed a marked moderation in the FMCG market growth with volumes being impacted due to high inflation.

As we gradually emerged from the challenging phase of the pandemic, the consumption of hygiene products moderated. With mobility going up, there was an increase in demand for discretionary and out of home products. Consumers are also increasingly choosing brands which they see as making a positive impact on the world.

The recovery is expected to be supported by a consumption boost from pentup household savings, an increase in vaccinations, and inventory restocking partly offset by headwinds of broad-based inflation continuing to impact near-term growth.

Despite these challenges and the two years of pandemic, has made us a stronger, better business which is much more resilient and responsive. As the economy, consumer and channel landscapes rapidly evolve, we continue to be agile to leverage our strengths, capture opportunities and navigate through the challenges. Our strategy is constantly evolving in line with the trends and forces shaping our markets and impacting our multi-stakeholders. We remain committed to delivering 4 purpose growth, the growth that is consistent, competitive, profitable, and responsible.

A consumer-centric approach, backed by speed and agility in execution, was at the core of your Company's response in navigating the heightened uncertainty and volatility in the operating environment. Digital technologies and platforms continue to be leveraged to effectively service emergent consumer demand across channels.

### **STRENGTHS, OPPORTUNITIES, RISKS AND CONCERNS**

#### **❖ STRENGTH**

Our core purpose is to serve our Customers with better Quality Products. We understand the customer needs, market trends mapping and provide value for money products. Our diversified product portfolio enables us to cater a wide range of preferences & consumer segment.

#### **❖ OPPORTUNITIES**

Your Company had submitted the resolution plan for successful resolution of Zicom SaaS Private Limited [Zicom] under NCLT proceedings, which has been approved by Honorable NCLT, Mumbai Bench. Zicom is a Private Limited Company incorporated in the year 2011, having its place of Business in Mumbai. The Company is engaged in the Business of providing all kinds and types of Security Services Systems. The Company offers access control, CCTV, Finger Print Lock, Fire Alarm, Video Door Phones and Intrusion Detection Systems and has the Command Room located in the Registered Office.

Your company has formed a Special Purpose Vehicle for the same under name of Onyx SaaS Private Limited. Your company will undertake resolution of Zicom along with JV partner. Your company doesn't envisage it to be a significant capital contribution. Your company sees this as good value creation opportunity but we shall be able to present a concrete plan in due course of time.

Apart from this, Khemani is focusing to expand its New Modern Trade [NMT] Outlet Channel Business (which is most prevailing trend in Indian consumer), in South Gujarat Region and on Pharma Wholesale Channel, which will help us to reach untapped chemist retail outlets. This will leads to increase in Sales Volume.

There is significant MRP increase in product of all the segment, so as FMCG Product also, which shall increase the overall Gross Profit Margin of the Company.

There is huge demand of Indian FMCG Products in the International Market, which is fulfilled by the Merchant Exporters. To extend its sales to a Global scale, Khemani is trying to tap this opportunity to supply these Merchant Exporters.

#### **❖ RISKS AND CONCERNS**

The prime challenges faced by the Company are Legal Boundaries, Economical Changes, Globalization and Regulatory proceedings, Technological and Political changes, which impacts the growth of Business.

Quality of our product is key aspect to sustain in the Market. Any failure to maintain the quality of the product may affect adversely to our business. Third Party like Transportation facilities, Market Trends include Customers' Change in test, preferences, choices, fashion, designs, patterns, Fluctuation in price and supply of product, failure in obtaining additional source of finance, Business Rivals,

Competition, delay and defaults in clients payments, inadequate insurance cover age to protect against uncertain hazards, Some Commitments and liabilities all will adversely affect the growth and profitability for your Company.

❖ **THREAT**

India is undergoing rapid digital transformation, new-age technologies are transforming the landscape of consumer goods market, bringing opportunities for brands, consumers, and customers alike. E-Commerce continues to gain traction as more consumers shop online and with more digital-first brands entering the market. With a technology-focused approach, retailers are reinventing their business models to stay more connected in the digital world.

**FINANCIAL AND OPERATIONAL PERFORMANCE**

The key highlights of the standalone financials are:

Particulars	Amount (in Rs.)	
	2021-22	2020-21
Revenue from Operations	68,19,24,092	61,42,40,155
Profit Before Tax	7,70,79,861	14,34,44,373
Net Profit	5,83,01,730	10,97,54,428

**INTERNAL CONTROL SYSTEMS AND ADEQUACY**

There is an adequate internal control procedure commensurate with the size of the company and nature of the business for the purchase of inventory, fixed assets and for the sale of goods or services.

Your Company has constituted Audit Committee to overlook internal control system and their adequacy. Audit Committee regularly review and give it recommendation on proper internal control system.

**HEALTH AND SAFETY**

We are committed towards safety of our people and assets and towards the protection of the environment through a variety of initiatives. The Company follows good business practices in health, safety, and environment related aspects to constantly set higher benchmarks and strives to exceed the same. Your Company being involved in the FMCG Industry, dealing with various kinds of essential services, had provided all the essential items. Our employees did take risk to keep our operations going and supplied essential goods to consumers so that the impact of the crisis can be reduced. While every business has its own highs and lows, the success of the Company in longer run depends on its ability to innovate to meet the evolving needs of customers and remain competitive.

**INFRASTRUCTURE**

The offices are well equipped with computer systems, internet connectivity, other communication equipment, security and other facilities which are required for our business operations to function smoothly.

## **HUMAN RESOURCES**

During the year under review, industrial relations of the Company continued to be cordial and peaceful. We believe that our employees are key contributors to our business success. We focus on attracting and retaining the best possible talent. Our Company looks for specific skill-sets, interests and background that would be an asset for our business. Our employees look after administrative, secretarial, legal, marketing and accounting functions. Our manpower is a prudent mix of the experienced and youth which gives us the dual advantage of stability and growth. Our work processes and skilled / semi-skilled / unskilled resources together with our strong management team have enabled us to successfully implement our growth plans.

For and on behalf of the Board

**KHEMANI DISTRIBUTORS AND MARKETING LIMITED**

**VIJAYKUMAR KHEMANI**

Chairman & Managing Director  
DIN: 02227389

**AMITKUMAR KHEMANI**

Whole Time Director & CFO  
DIN: 02227413

Place: Surat

Date: 29-08-2022



**ANNEXURE – 6**

**DECLARATION OF COMPLIANCE WITH THE CODE OF  
CONDUCT**

I, Vijaykumar Khemani, Chairman and Managing Director of Khemani Distributors & Marketing Limited hereby confirm that all the Board Members and Senior Management Personnel of the Company have affirmed compliance with the Code of Conduct, as applicable to them, for the year ended 31<sup>st</sup> March, 2022.

For and on behalf of the Board  
**KHEMANI DISTRIBUTORS AND MARKETING LIMITED**

**VIJAYKUMAR KHEMANI**  
Chairman & Managing Director  
DIN: 02227389

Place: Surat  
Date: 29-08-2022

**CERTIFICATION BY MANAGING DIRECTOR (MD) &  
CHIEF FINANCIAL OFFICER (CFO)**

*[Issued in accordance with the provisions of Regulation 17(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]*

To,  
The Board of Directors of  
**Khemani Distributors & Marketing Limited**

- (A) We have reviewed the financial statements and the cash flow statement of Khemani Distributors & Marketing Limited for the year ended March 31, 2022 and that to the best of our knowledge and belief:
- 1) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - 2) These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (B) To the best of our knowledge and belief, there are no transactions entered into by the Company during the year ended March 31, 2022 which are fraudulent, illegal or violative of the Company's code of conduct.
- (C) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control for financial reporting and we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- (D) We have indicated to the Auditors and the Audit Committee:
- 1) Significant changes, if any, in internal control over financial reporting during the year ended March 31, 2022.
  - 2) Significant changes, if any, in accounting policies made during the year ended March 31, 2022 and that the same have been disclosed in the notes to the financial statements; and
  - 3) Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

For and on behalf of the Board  
**KHEMANI DISTRIBUTORS AND MARKETING LIMITED**

**VIJAYKUMAR KHEMANI**  
Chairman & Managing Director  
DIN: 02227389

**AMITKUMAR KHEMANI**  
Whole Time Director & CFO  
DIN: 02227413

Place: Surat  
Date: 29-08-2022

## **INDEPENDENT AUDITORS REPORT**

### **To the Members of Khemani Distributors & Marketing Limited**

#### **Opinion**

We have audited the standalone financial statements of **Khemani Distributors & Marketing Limited** ("the Company"), which comprise the balance sheet as at 31<sup>st</sup> March 2022, and the statement of Profit and Loss, and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, and profit, and its cash flows for the year ended on that date.

#### **Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

#### **Management's Responsibility for the Standalone Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and

detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements, that give a true and fair view, in order to design audit procedures that are appropriate in circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on financial Statements.

### **Report on Other Legal and regulatory Requirements**

1. As required by required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure-A, a statement on the matters specified in paragraph 3 & 4 of the Order.
2. As required by section 143(3) of the Act, we further report that:
  - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our Audit;

- b. In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
- c. The Balance Sheet, Statement of Profit and Loss Account, Cash Flow Statement and Statement of dealt with this report are in agreement with the books of Accounts;
- d. In our opinion, the aforesaid financial statements comply with the applicable Accounting Standards specified under Section 133 of the Act, read with relevant rules thereunder as amended;
- e. On the basis of written representation received from the directors as on March 31, 2022 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 from being appointed as the directors in terms of Section 164(2) of the Act;
- f. With respect to the adequacy of the internal financial control over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in “Annexure B”;
- g. According to information and explanations given to us and based on our examination of the records of the Company, the Company had provided managerial remuneration with requisite approvals mandated by the provisions of Sec 197 of the Act.;
- h. In our opinion and to the best of our information and according to the explanations given to us, we report as under with respect to other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit & Auditors) Rules, 2014:
  - 1. The Company have pending litigation which is pending before Appellant Authorities.
  - 2. The company did not have any long-term contracts including derivative contracts; as such the question of commenting on any material foreseeable losses thereon does not arise.
  - 3. There has not been an occasion in case of the Company during the year under report to transfer any sums to the Investor Education & Protection Fund. The question of delay in transferring such sums does not arise.

**FOR B Chordia & Co.  
Chartered Accountants**

**Vikas Chordia  
Partner  
M. No.: 158536  
F. No.: 1121083W**

**PLACE: Surat  
DATE: 10/05/2022**



**ANNEXURE "A" TO THE AUDITOR'S REPORT**

On the basis of such checks as we considered appropriate and accordingly to the information and explanations given to us during the course of our audit, we report that:

Sr. No.	Particulars	Auditors Remark												
(i)	(a) (A) whether the company is maintaining proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment; (B) whether the company is maintaining proper records showing full particulars of intangible assets;	Yes  Not Applicable												
	(b) whether these Property, Plant and Equipment have been physically verified by the management at reasonable intervals; whether any material discrepancies were noticed on such verification and if so, whether the same have been properly dealt with in the books of account;	Yes												
	(c) whether the title deeds of all the immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in the financial statements are held in the name of the company, if not, provide the details thereof in the format below:-	Not Applicable												
	<table><tr><th>Description of property</th><th>Gross carrying value</th><th>Held in name of</th><th>Whether promoter, director or their relative or employee</th><th>Period held –indicate range, where appropriate</th><th>Reason for not being held in name of Company*</th></tr><tr><td>-</td><td>-</td><td>-</td><td>-</td><td>-</td><td>*also indicate if in dispute</td></tr></table>	Description of property	Gross carrying value	Held in name of	Whether promoter, director or their relative or employee	Period held –indicate range, where appropriate	Reason for not being held in name of Company*	-	-	-	-	-	*also indicate if in dispute	
Description of property	Gross carrying value	Held in name of	Whether promoter, director or their relative or employee	Period held –indicate range, where appropriate	Reason for not being held in name of Company*									
-	-	-	-	-	*also indicate if in dispute									
	(d) whether the company has revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year and, if so, whether the revaluation is based on the valuation by a Registered Valuer; specify the amount of change, if change is 10% or more in the aggregate of the net carrying value of each class of Property, Plant and Equipment or intangible assets	Not Applicable												
	(e) whether any proceedings have been initiated or are pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder, if so, whether the company has appropriately disclosed the details in its financial statements	Not Applicable												
(ii)	(a) whether physical verification of inventory has been conducted at reasonable intervals by the management and whether, in the opinion of the auditor, the coverage and procedure of such verification by the management is	Yes												

	appropriate; whether any discrepancies of 10% or more in the aggregate for each class of inventory were noticed and if so, whether they have been properly dealt with in the books of account;	
	(b) whether during any point of time of the year, the company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets; whether the quarterly returns or statements filed by the company with such banks or financial institutions are in agreement with the books of account of the Company, if not, give details;	Not Applicable
(iii)	whether during the year the company has made investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties, if so,- (a) whether during the year the company has provided loans or provided advances in the nature of loans, or stood guarantee, or provided security to any other entity [not applicable to companies whose principal business is to give loans], if so, indicate-	Investments in Quoted Shares / Unquoted Shares  Yes
	(A) the aggregate amount during the year, and balance outstanding at the balance sheet date with respect to such loans or advances and guarantees or security to subsidiaries, joint ventures and associates;	Not Applicable
	(B) the aggregate amount during the year, and balance outstanding at the balance sheet date with respect to such loans or advances and guarantees or security to parties other than subsidiaries, joint ventures and associates;	Annex-1
	(b) whether the investments made, guarantees provided, security given and the terms and conditions of the grant of all loans and advances in the nature of loans and guarantees provided are not prejudicial to the company's interest;	No
	(c) in respect of loans and advances in the nature of loans, whether the schedule of repayment of principal and payment of interest has been stipulated and whether the repayments or receipts are regular;	Not Applicable
	(d) if the amount is overdue, state the total amount overdue for more than ninety days, and whether reasonable steps have been taken by the company for recovery of the principal and interest;	Not Applicable
	(e) whether any loan or advance in the nature of loan granted which has fallen due during the year, has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to the same parties, if so, specify the aggregate amount of such dues renewed or extended or settled by fresh loans and the percentage of the aggregate to the total loans or advances in the nature of loans granted during the year [not applicable to companies whose principal business is to give loans];	Not Applicable

	(f) whether the company has granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment, if so, specify the aggregate amount, percentage thereof to the total loans granted, aggregate amount of loans granted to Promoters, related parties as defined in clause (76) of section 2 of the Companies Act, 2013;	Annex-1
(iv)	in respect of loans, investments, guarantees, and security, whether provisions of sections 185 and 186 of the Companies Act have been complied with, if not, provide the details thereof	Yes
(v)	in respect of deposits accepted by the company or amounts which are deemed to be deposits, whether the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act and the rules made thereunder, where applicable, have been complied with, if not, the nature of such contraventions be stated; if an order has been passed by Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other tribunal, whether the same has been complied with or not;	Not Applicable
(vi)	whether maintenance of cost records has been specified by the Central Government under sub- section (1) of section 148 of the Companies Act and whether such accounts and records have been so made and maintained;	Not Applicable
(vii)	(a) whether the company is regular in depositing undisputed statutory dues including Goods and Services Tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues to the appropriate authorities and if not, the extent of the arrears of outstanding statutory dues as on the last day of the financial year concerned for a period of more than six months from the date they became payable, shall be indicated	Yes
	(b) where statutory dues referred to in sub-clause (a) have not been deposited on account of any dispute, then the amounts involved and the forum where dispute is pending shall be mentioned (a mere representation to the concerned Department shall not be treated as a dispute);	A.Y. 16-17 - 10,48,416 A.Y. 15-16 - 86,13,007 A.Y. 17-18 - 1,03,74,530 Income Tax
(viii)	whether any transactions not recorded in the books of account have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961), if so, whether the previously unrecorded income has been properly recorded in the books of account during the year	No
(ix)	(a) whether the company has defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender, if yes, the period and the amount of default to be reported as per the format below	No

	Nature of borrowing, including debt securities	Name of lender*	Amount not paid on due date	Whether principal or interest	No. of days delay or unpaid	Remarks, if any
		*lenderwise details to be provided in case of defaults to banks, financial institutions and Government.				
	(b) whether the company is a declared wilful defaulter by any bank or financial institution or other lender;					No
	(c) whether term loans were applied for the purpose for which the loans were obtained; if not, the amount of loan so diverted and the purpose for which it is used may be reported;					No
	(d) whether funds raised on short term basis have been utilised for long term purposes, if yes, the nature and amount to be indicated					No
	(e) whether the company has taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures, if so, details thereof with nature of such transactions and the amount in each case;					No
	(f) whether the company has raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies, if so, give details thereof and also report if the company has defaulted in repayment of such loans raised;					No
(x)	(a) whether moneys raised by way of initial public offer or further public offer (including debt instruments) during the year were applied for the purposes for which those are raised, if not, the details together with delays or default and subsequent rectification, if any, as may be applicable, be reported;					Not Applicable
	(b) whether the company has made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year and if so, whether the requirements of section 42 and section 62 of the Companies Act, 2013 have been complied with and the funds raised have been used for the purposes for which the funds were raised, if not, provide details in respect of amount involved and nature of non-compliance;					Not Applicable
(xi)	(a) whether any fraud by the company or any fraud on the company has been noticed or reported during the year, if yes, the nature and the amount involved is to be indicated;					No
	(b) whether any report under sub-section (12) of section 143 of the Companies Act has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government;					No



	(c) whether the auditor has considered whistle-blower complaints, if any, received during the year by the company;	Not Applicable
(xii)	(a) whether the Nidhi Company has complied with the Net Owned Funds to Deposits in the ratio of 1: 20 to meet out the liability;	Not Applicable
	(b) whether the Nidhi Company is maintaining ten per cent. unencumbered term deposits as specified in the Nidhi Rules, 2014 to meet out the liability;	Not Applicable
	(c) whether there has been any default in payment of interest on deposits or repayment thereof for any period and if so, the details thereof;	Not Applicable
(xiii)	whether all transactions with the related parties are in compliance with sections 177 and 188 of Companies Act where applicable and the details have been disclosed in the financial statements, etc., as required by the applicable accounting standards	Yes
(xiv)	(a) whether the company has an internal audit system commensurate with the size and nature of its business;	Yes
	(b) whether the reports of the Internal Auditors for the period under audit were considered by the statutory auditor;	Yes
(xv)	whether the company has entered into any non-cash transactions with directors or persons connected with him and if so, whether the provisions of section 192 of Companies Act have been complied with;	No
(xvi)	(a) whether the company is required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) and if so, whether the registration has been obtained;	Not Applicable
	(b) whether the company has conducted any Non-Banking Financial or Housing Finance activities without a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934	Not Applicable
	(c) whether the company is a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India, if so, whether it continues to fulfil the criteria of a CIC, and in case the company is an exempted or unregistered CIC, whether it continues to fulfil such criteria;	Not Applicable
	(d) whether the Group has more than one CIC as part of the Group, if yes, indicate the number of CICs which are part of the Group;	Not Applicable
(xvii)	whether the company has incurred cash losses in the financial year and in the immediately preceding financial year, if so, state the amount of cash losses	No
(xviii)	whether there has been any resignation of the statutory auditors during the year, if so, whether the auditor has taken into consideration the issues, objections or concerns raised by the outgoing auditors;	Yes, in normal course as rotation of Auditors
(xix)	on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, the auditor's knowledge of the Board of Directors and management plans, whether the auditor is of the opinion that no material uncertainty exists as on the date of the audit	Yes



	report that company is capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date;	
(xx)	(a) whether, in respect of other than ongoing projects, the company has transferred unspent amount to a Fund specified in Schedule VII to the Companies Act within a period of six months of the expiry of the financial year in compliance with second proviso to sub-section (5) of section 135 of the said Act;	Not Applicable
	(b) whether any amount remaining unspent under sub-section (5) of section 135 of the Companies Act, pursuant to any ongoing project, has been transferred to special account in compliance with the provision of sub-section (6) of section 135 of the said Act;	Not Applicable
(xxi)	whether there have been any qualifications or adverse remarks by the respective auditors in the Companies (Auditor's Report) Order (CARO) reports of the companies included in the consolidated financial statements, if yes, indicate the details of the companies and the paragraph numbers of the CARO report containing the qualifications or adverse remarks.	Not Applicable

**Annex-1**

Sr. No.	Name	Aggregate	Balance Outstanding
1	Onyx Partners	34,25,00,000	9,00,12,742
2	Onyx SaaS Private Limited	62,00,000	61,50,000

**FOR B Chordia & Co.**  
**Chartered Accountants**

**Vikas Chordia**  
**Partner**  
**M. No.: 158536**  
**F. No.: 1121083W**

**PLACE: Surat**  
**DATE: 10/05/2022**

## **ANNEXURE “B” TO THE AUDITOR’S REPORT**

### **Report on the Internal Financial Controls under Clause (I) of Sub-Section 3 of Section 143 of the Companies Act, 2013 (“the Act”)**

We have audited the internal financial controls over financial reporting of **Khemani Distributors & Marketing Limited** (“the Company”) as on 31<sup>st</sup> March 2022 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

#### **MANAGEMENT RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS**

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (‘ICAI’). These responsibilities include the designs, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets ,the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information , as required under the Companies Act, 2013.

#### **AUDITOR’S RESPONSIBILITY**

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Controlling (the “Guidance Note”) and the Standards on Auditing issued by ICAI and deemed to be prescribed under section 143 (10) of the Companies Act 2013, to the extent applicable to an audit of internal financial controls-both applicable to an audit o Internal Financial Controls and both issued by the Institute of Chartered Accountants of India .Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the Audit to obtain responsible assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting , assessing the risk that a material weakness exists, testing and evaluating and design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

### **MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that in reasonable detail, accurately and fairly reflect the transactions and disposition of the assets of the Company. (2) provide reasonable assurance that transaction are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company ; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition ,use, or disposition of the company's assets that could have a material effect on the financial statements.

### **INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **OPINION**

In our opinion ,the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**FOR B Chordia & Co.**  
**Chartered Accountants**

**Vikas Chordia**  
**Partner**  
**M. No.: 158536**  
**F. No.: 1121083W**

**PLACE: Surat**  
**DATE: 10/05/2022**

## BALANCE SHEET As At 31<sup>st</sup> MARCH, 2022

PARTICULARS	NOTE NO.	AS AT 31/03/2022	AS AT 31/03/2021
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholder's Fund</b>			
(a) Share Capital	1	11,48,700	11,48,700
(b) Reserves and Surplus	2	31,98,195	27,43,626
(c) Money received against share warrants		-	-
<b>(2) Share Application money pending allotment</b>		-	-
<b>(3) Non-current Liabilities</b>			
(a) Long-Term Borrowings	3	1,24,653	3,24,621
(b) Deferred tax liabilities (Net)		-	-
(c) Other Long term liabilities		-	-
(d) Long term provisions		-	-
<b>(4) Current Liabilities</b>			
(a) Short Term Borrowings	4	3,63,422	-
(b) Trade Payables	5		
(i) Total outstanding dues of Micro Enterprises and Small Enterprises		1,684	1,142
(ii) Total outstanding dues of Creditors other than Micro Enterprises and Small Enterprises		1,31,976	35,891
(c) Other Current Liabilities		-	-
(d) Short-Term Provisions	6	12,061	10,542
<b>Total</b>		<b>49,80,691</b>	<b>42,64,523</b>
<b>II. ASSETS</b>			
<b>(1) Non-Current Assets</b>			
(a) Property, Plant and Equipment and Intangible Assets	7		
(i) Property, Plant and Equipment		1,20,556	1,15,675
(ii) Intangible Assets		-	-
(iii) Capital work-in-progress		-	-
(iv) Intangible assets under development		-	-
(b) Non-Current Investments	8	9,50,579	10,55,991
(c) Deferred tax Assets (Net)		24,889	34,630
(d) Long Term loans and advances	9	1,08,820	1,48,708
(e) Other Non-Current assets	10	1,202	1,202

<b>(2) Current Assets</b>			
(a) Current Investments		-	-
(b) Inventories	11	18,71,478	13,59,149
(c) Trade receivables	12	3,10,880	1,49,616
(d) Cash & Cash equivalents	13	5,46,997	1,12,687
(e) Short term loans & advances		-	-
(f) Other Current Assets	14	10,45,289	12,86,864
<b>Total</b>		<b>49,80,691</b>	<b>42,64,523</b>

The accompanying notes are an Integral part of the Financial Statements.

**AS PER OUR REPORT OF EVEN DATE**

**FOR B CHORDIA & CO.**

**CHARTERED ACCOUNTANTS      KHEMANI DISTRIBUTORS AND MARKETING LIMITED**

**VIKAS CHORDIA**  
**PARTNER**  
**M. NO.: 158536**  
**FRN: 121083W**

**VIJAYKUMAR**  
**KHEMANI**  
**CHAIRMAN &**  
**MANAGING**  
**DIRECTOR**  
**DIN: 02227389**

**AMITKUMAR**  
**KHEMANI**  
**WHOLE TIME**  
**DIRECTOR &**  
**CFO**  
**DIN: 02227413**

**VAISHALI**  
**PUNJABI**  
**COMPANY**  
**SECRETARY**  
**ACS: 48695**

**PLACE: SURAT**  
**DATE: 10/05/2022**

**PLACE: SURAT**  
**DATE: 10/05/2022**



## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2022

PARTICULARS	NOTE NO.	AS AT 31/03/2022	AS AT 31/03/2021
I. Revenue from operations	15	68,19,241	61,42,402
II. Other Income	16	66,310	(11,825)
<b>III. Total Income</b>	<b>(I+ II)</b>	<b>68,85,551</b>	<b>61,30,577</b>
<b>IV. Expenses</b>			
Cost of Material Consumed		-	-
Purchase of Stock-in-trade	17	57,33,615	45,38,910
Changes in inventories of finished goods, work-in progress and stock-in trade	18	30,114	(87,018)
Employee benefit Expenses	19	71,898	69,269
Finance costs	20	29,714	25,786
Depreciation&Amortization Expenses	7	16,948	17,898
Other expenses	21	2,32,463	1,31,287
<b>IV. Total Expenses</b>		<b>61,14,752</b>	<b>46,96,133</b>
V. Profit before exceptional and extraordinary items & Tax	(III-IV)	7,70,799	14,34,444
VI. Exceptional Items		-	-
VII. Profit before extraordinary items & Tax	(V-VI)	7,70,799	14,34,444
VIII. Extraordinary items		-	-
IX. Profit before tax	(VII-VIII)	7,70,799	14,34,444
X. Tax Expenses			
(1) Current Tax		1,78,041	1,021
(2) Deferred Tax		9,740	3,35,879
XI. Profit (loss) from the period from continuing operations after tax	(IX-X)	5,83,017	10,97,544
XII. Profit (loss) from discontinuing operations		-	-
XIII. Tax expenses of discontinuing operations		-	-
XIV. Profit (loss) from discontinuing operations after tax	(XII-XIII)	-	-
<b>XV. Profit (loss) for the period</b>	<b>(XI+XIV)</b>	<b>5,83,017</b>	<b>10,97,544</b>
XVI. Earning per equity share			
(1) Basic		2.54	4.78
(2) Diluted		2.54	4.78

The accompanying notes are an Integral part of the Financial Statements.

**AS PER OUR REPORT OF EVEN DATE**

**FOR B CHORDIA & CO.**

**CHARTERED ACCOUNTANTS**

**KHEMANI DISTRIBUTORS AND MARKETING LIMITED**

**VIKAS CHORDIA**  
**PARTNER**  
**M. NO.: 158536**  
**FRN: 121083W**

**VIJAYKUMAR**  
**KHEMANI**  
**CHAIRMAN &**  
**MANAGING**  
**DIRECTOR**  
**DIN: 02227389**

**AMITKUMAR**  
**KHEMANI**  
**WHOLE TIME**  
**DIRECTOR & CFO**  
**DIN: 02227413**

**VAISHALI**  
**PUNJABI**  
**COMPANY**  
**SECRETARY**  
**ACS: 48695**

**PLACE: SURAT**  
**DATE: 10/05/2022**

**PLACE: SURAT**  
**DATE: 10/05/2022**

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2022

PARTICULARS		AS AT 31/03/2022	AS AT 31/03/2021
<b>A. CASH INFLOW / (OUTFLOW) FROM OPERATING ACTIVITIES</b>			
<b>Net Profit Before Tax and Extra-Ordinary Items</b>		<b>7,70,799</b>	<b>14,34,444</b>
Adjustments for:		-	-
Depreciation		16,948	17,898
Preliminary Expenses Written Off		-	-
Interest & Finance Charges		29,714	25,786
<b>Operating Profit before working capital changes</b>		<b>8,17,461</b>	<b>14,78,128</b>
Adjustments for:			
(Increase)/Decrease in Trade Receivables		(1,61,264)	71,386
(Increase)/Decrease in Inventories		(5,12,329)	(5,27,955)
(Increase)/Decrease in Other Current assets		2,41,575	(10,98,252)
(Increase)/Decrease in Long Term loans and advances		39,888	10,308
(Increase)/Decrease in Short Term loans and advances		-	-
(Increase)/Decrease in Non-current Assets		-	-
Increase/(Decrease) in Trade Payables		96,627	(2,60,532)
Increase/(Decrease) in Other Current Liabilities		-	(52,276)
Increase/(Decrease) in Short term provision		1,519	4,225
Increase/(Decrease) in Other Long-Term Borrowings		-	-
Increase/(Decrease) in Short-Term Borrowings		3,63,422	-
		<b>69,438</b>	<b>(18,53,095)</b>
<b>Cash generated from Operations</b>		<b>8,86,898</b>	<b>(3,74,967)</b>
Less: Income Tax paid		1,78,041	1,021
Less: Earlier provision		1,28,449	63,471
<b>Net Cash generated from operations before extraordinary items</b>		<b>5,80,409</b>	<b>(4,39,458)</b>
Extraordinary items		-	-
<b>Net Cash Inflow/(Outflow) from operating activities</b>	<b>(A)</b>	<b>5,80,409</b>	<b>(4,39,458)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>			
(Purchase)/Sale of Fixed Assets		(21,828)	(25,435)
Increase/(decrease) in Long term Loans & Advances		-	-
Increase/(decrease) in Short term Loans & Advances		-	-

(Purchase)/Sale of Investments		1,05,412	5,66,263
Income from other activities		-	-
<b>Net Cash Inflow/(Outflow) from Investing activities</b>	<b>(B)</b>	<b>83,584</b>	<b>5,40,828</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>			
Proceeds from Shares Issued		-	-
Proceeds / (Repayment) : Short Term Borrowing		-	-
Proceeds / (Repayment) : Long Term Liabilities		-	-
Proceeds / (Repayment) : Long Term Borrowing		(1,99,968)	1,223
Interest & Finance Charges		(29,714)	(25,786)
<b>Net Cash used in Financing activities</b>	<b>(C)</b>	<b>(2,29,682)</b>	<b>(24,564)</b>
<b>Net change in Cash and Cash Equivalents (A) + (B) + (C)</b>		<b>4,34,310</b>	<b>76,806</b>
Cash and Cash Equivalents as at the beginning of the period		1,12,687	35,881
<b>Cash and Cash Equivalents as at the end of the period</b>		<b>5,46,997</b>	<b>1,12,687</b>

Note:- The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Accounting Standard (AS) - 3 on "Cash Flow Statements".

**AS PER OUR REPORT OF EVEN DATE  
FOR B CHORDIA & CO.**

**CHARTERED ACCOUNTANTS      KHEMANI DISTRIBUTORS AND MARKETING LIMITED**

**VIKAS CHORDIA  
PARTNER  
M. NO.: 158536  
FRN: 121083W**

**VIJAYKUMAR  
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ACS: 48695**

**PLACE: SURAT  
DATE: 10/05/2022**

**PLACE: SURAT  
DATE: 10/05/2022**

## NOTES TO BALANCE SHEET & PROFIT & LOSS

### STATEMENT

Particulars	31/03/2022	31/03/2021
<b>Note - 1</b>		
<b>Share Capital</b>		
Authorised Share Capital		
23000000 Equity Shares Of Rs.5/- Each	11,50,000	11,50,000
(Previous Year 12400000 Equity Shares Of Rs. 5/- Each)	<b>11,50,000</b>	<b>11,50,000</b>
Issued, Subscribed And Fully Paid Up		
22974000 Equity Shares Of Rs 5/- Each	11,48,700	11,48,700
(Previous Year 22974000 Equity Shares Of Rs 5/- Each)	<b>11,48,700</b>	<b>11,48,700</b>

Note-1a	Equity (Number)	Equity (Number)
<b>Reconciliation Of Shares Outstanding Of Rs. 5/-</b>		
Shares Outstanding	2,29,74,000	1,14,87,000
Shares Issued During This Year	-	1,14,87,000
Shares Bought Back During The Year	-	-
<b>Shares Outstanding At The End Of Year</b>	<b>2,29,74,000</b>	<b>2,29,74,000</b>

Note-1b	31/03/2022		31/03/2021	
Shareholder Holding For Than 5% Shares	%	Value	%	Value
Vijaykumar Khemani	20.87	47,94,000	20.87	47,94,000
Gryffin Advisory Services Private Limited	14.63	33,60,000	14.63	33,60,000
Natural Suppliers Private Limited	19.86	45,62,400	19.86	45,62,400
Azura Projects Private Limited	8.35	19,19,200	8.35	19,19,200

Share Held By Promoters Group At The End Of The Year 31.03.2022			Change During The Year
Promoters Name	No. Of Shares	% Of Total Shares	
Sushiladevi Khemani	11,280	0.05%	0
Amit Khemani	27,600	0.12%	0
Vijaykumar Khemani	47,94,000	20.87%	0
Dimple Mansinghka	11,280	0.05%	0
Anupa Khemani	11,280	0.05%	0
Avinash Khemani	11,280	0.05%	0
Sanju Khemani	11,280	0.05%	0
Onyx Partners (Rep.: Vijaykumar Khemani)	4,05,600	1.77%	0
BSAS Infotech Limited	10,23,600	4.46%	0.11%
<b>Total</b>	<b>63,07,200</b>	<b>27.46%</b>	<b>0.11%</b>

Share Held By Promoters Group At The End Of The Year 31.03.2021			Change During The Year
Promoters Name	No. Of Shares	% Of Total Shares	
Sushiladevi Khemani	11,280	0.05%	0
Amit Khemani	27,600	0.12%	0
Vijaykumar Khemani	47,94,000	20.87%	-6.40%
Dimple Mansinghka	11,280	0.05%	0
Anupa Khemani	11,280	0.05%	0
Avinash Khemani	11,280	0.05%	0
Sanju Khemani	11,280	0.05%	0
Onyx Partners (Rep.: Vijaykumar Khemani)	4,05,600	1.77%	-1.64%
BSAS Infotech Limited	9,99,600	4.35%	4.35%
<b>TOTAL</b>	<b>62,83,200</b>	<b>27.35%</b>	<b>-3.69%</b>

**Terms / Rights Attached To Equity Shares**

1. At the year end, Company has one class of Equity Shares having a par value of Rs. 5/- per Share.
2. Shareholder is eligible for one vote per Share held.
3. No Shares were bought back for last five years.
4. There is no unpaid call on shares from Directors and Officers.

<b>Note - 2</b>		
<b>Reserves &amp; Surplus</b>		
A. Shares Premium Account		
Opening Balance	10,41,250	16,15,600
Less: Capitalized And Bonus Issued	-	(5,74,350)
Closing Balance	10,41,250	10,41,250
B. Profit & Loss A/C		
Opening Balance	17,02,376	6,68,303
Add: Current Year Profit/(Loss)	5,83,017	10,97,544
Add: Net Of Excess Provision Of Tax / Tax Paid Of Firm	(1,28,449)	(63,471)
Closing Balance	21,56,945	17,02,376
<b>Total</b>	<b>31,98,195</b>	<b>27,43,626</b>
<b>Note - 3</b>		
<b>Long Term Borrowings</b>		
(a) Secured Loan		
Loan Against Shares & Securities	4,551	-
(b) Unsecured Loan		
Unsecured Loans From Directors, Relatives, Corporate	3,314	7,890
Inter-Corporate Loan	1,16,788	3,16,731
<b>Total</b>	<b>1,24,653</b>	<b>3,24,621</b>



<b>Note – 4</b>		
<b>Short Term Borrowings</b>		
OD Against Fixed Deposit	3,63,422	-
<b>Total</b>	<b>3,63,422</b>	<b>0</b>
<b>Note – 5</b>		
<b>Trade Payables</b>		
(i) Total Outstanding Dues Of Micro Enterprises And Small Enterprises	1,684	1,142
(ii) Total Outstanding Dues Of Creditors Other Than Micro Enterprises And Small Enterprises	1,31,976	35,891
<b>Total</b>	<b>1,33,660</b>	<b>37,033</b>

**(B-1) Trade Payables Ageing Schedule As On 31/03/2022**

Particulars	Outstanding For Following Periods From Due Date Of Payments				
	Less Than 1 Year	1-2 Year	2-3 Year	More Than 3 Year	Total
1. MSME	1,684	0	0	0	<b>1,684</b>
2. Others	1,28,909	1,680	1,387	0	<b>1,31,976</b>
3. Disputes Dues – MSME	0	0	0	0	<b>0</b>
4. Disputes Dues – Others	0	0	0	0	<b>0</b>

**(B-2) Trade Payables Ageing Schedule As On 31/03/2021**

Particulars	Outstanding For Following Periods From Due Date Of Payments				
	Less than 1 Year	1-2 Year	2-3 Year	More Than 3 Year	Total
1. MSME	1,142	0	0	0	<b>1,142</b>
2. Others	34,504	1,387	0	0	<b>35,891</b>
3. Disputes Dues – MSME	0	0	0	0	<b>0</b>
4. Disputes Dues – Others	0	0	0	0	<b>0</b>

<b>Note – 6</b>		
<b>Short Term Provisions</b>		
ESIC Payable	223	255
Professional Tax Payable	35	42
TDS/TCS Payable	2,290	1,776
Provisions For Expenses	9,514	8,469
<b>Total</b>	<b>12,061</b>	<b>10,542</b>

**Note-7 - Property, Plant And Equipment And Intangible Assets:**  
**Statement Of Depreciation For The Year Ended On 31/03/2022 (As Per The Companies Act)**

S. N.	Particulars	Gross Block			Depreciation			Net Block	
		As On 01-Apr-2021	Addition / Deletion During The Year	Total As On 31-Mar-2022	As On 01-Apr-2021	During The Year	Total As On 31-Mar-2022	As On 31-Mar-2022	As On 01-Apr-2021
<b>A</b>	<b>Tangible Assets</b>								
1	Office Equipments	28,743	1,282	30,025	19,718	4,112	23,830	6,195	9,025
2	Furniture	24,840	2,920	27,759	10,258	4,402	14,659	13,100	14,582
3	Computer	8,507	-	8,507	7,149	653	7,803	704	1,358
4	Computer Server	957	-	957	909	-	909	48	48
5	Vehicle	34,421	17,573	51,994	24,793	3,090	27,884	24,111	9,628
6	Plant & Machinery	11,055	54	11,109	1,702	1,200	2,902	8,207	9,353
7	Building	79,606	-	79,606	7,924	3,491	11,416	68,191	71,682
<b>B</b>	<b>Intangible Assets</b>	-	-	-	-	-	-	-	-
<b>C</b>	<b>Capital Work In Progress</b>	-	-	-	-	-	-	-	-
<b>D</b>	<b>Intangible Assets Under Development</b>	-	-	-	-	-	-	-	-
<b>Total</b>		<b>1,88,129</b>	<b>21,828</b>	<b>2,09,958</b>	<b>72,454</b>	<b>16,948</b>	<b>89,402</b>	<b>1,20,556</b>	<b>1,15,675</b>
Previous Year		1,62,694	25,435	1,88,129	54,556	17,898	72,454	1,15,675	1,08,138

**No Assets Were Impaired / Revalued During Last Five Years.**

<b>Note - 8</b>					
<b>Non- Current Investments</b>					
Investments In Unquoted Bonds				-	-
Investments In Traded Quoted Shares Others Than Subsidiary / JV				8,38,375	9,80,874
Investment In Non Traded Unquoted Shares				17,498	16,998
Investment In Partnership Firm - ONYX Partners				94,705	5,81,128
<b>Total</b>				<b>9,50,579</b>	<b>10,55,991</b>
<b>Details Of Partnership Firm - Onyx Partners</b>					
<b>Partners</b>		<b>%</b>	<b>Capital Balance</b>	<b>Capital Balance</b>	
Vijaykumar Khemani		50	(4,47,907)	(8,17,962)	
Avinash Khemani		35	2,14,646	1,32,277	
Khemani Distributors & Marketing Limited		15	94,705	58,118	

<b>Note - 9</b>				
<b>Long Term Advance</b>				
(a) Secured			-	-
(b) Unsecured, Considered Good				
Other Advances			1,08,820	1,48,708
<b>Total</b>			<b>1,08,820</b>	<b>1,48,708</b>

<b>Note - 10</b>		
<b>Others Non - Current Assets</b>		
Security Deposit	1,202	1,202
<b>Total</b>	<b>1,202</b>	<b>1,202</b>
<b>Note - 11</b>		
<b>Inventories</b>		
Closing Stock Goods	1,79,169	2,09,284
Closing Stock - Bonds / Shares	16,92,309	11,49,866
<b>Total</b>	<b>18,71,478</b>	<b>13,59,149</b>
<b>Note - 12</b>		
<b>(a) Trade Receivables</b>		
(Unsecured, Considered Goods)		
Periods Exceeding Six Months From Due Dates	2,409	12,819
Others	3,08,471	1,36,797
<b>Total</b>	<b>3,10,880</b>	<b>1,49,616</b>

**(B - 1) Trade Receivable Ageing Schedule As On 31/03/2022**

<b>Particulars</b>	<b>Outstanding For Following Periods From Due Date Of Payments</b>					<b>Total</b>
	<b>Less Than 6 Month</b>	<b>6 Month - 1 Year</b>	<b>1 - 2 Year</b>	<b>2 - 3 Year</b>	<b>More Than 3 Year</b>	
(i) Undisputed Trade Receivables - Considered Goods	3,08,471	753	1,171	0	485	<b>3,10,880</b>
(ii) Undisputed Trade Receivables - Considered Doubtful	0	0	0	0	0	<b>0</b>
(iii) Disputed Trade Receivables - Considered Goods	0	0	0	0	0	<b>0</b>
(iv) Disputed Trade Receivables - Considered Doubtful	0	0	0	0	0	<b>0</b>

**(B - 2) Trade Receivable Ageing Schedule As On 31/03/2021**

<b>Particulars</b>	<b>Outstanding for following periods from due date of payments</b>					<b>Total</b>
	<b>Less than 6 month</b>	<b>6 month - 1 year</b>	<b>1 - 2 year</b>	<b>2 - 3 year</b>	<b>More than 3 year</b>	
(i) Undisputed Trade Receivables - Considered Goods	1,36,797	5,820	6,262	0	736	<b>1,49,616</b>
(ii) Undisputed Trade Receivables - Considered Doubtful	0	0	0	0	0	<b>0</b>

(iii) Disputed Trade Receivables - Considered Goods	0	0	0	0	0	<b>0</b>
(iv) Disputed Trade Receivables - Considered Doubtful	0	0	0	0	0	<b>0</b>

<b>Note - 13</b>		
<b>Cash &amp; Cash Equivalents</b>		
Cash In Hand	96,927	45,990
Cheques In Hand	31,671	30,370
Fixed Deposits With Banks	3,83,000	-
Bank Balance In Current A/C With Banks	35,399	36,327
<b>Total</b>	<b>5,46,997</b>	<b>1,12,687</b>
<b>Note -14</b>		
<b>Other Current Assests</b>		
GST Balance	17,719	13,553
Claim Receivable - Net	40,081	51,878
Current Account With ONYX Partners	9,00,127	10,92,978
Income Tax Paid For A.Y. 2012-13 To 2017-18	69,244	37,525
Refund A.Y. 19-20	-	7,816
TDS Receivable For A.Y 2020-21 & 2021-22	6,054	13,223
TDS/Advance Tax 22-23	11,872	-
Prepaid Insurance	118	215
Advance To Creditors	74	69,677
<b>Total</b>	<b>10,45,289</b>	<b>12,86,864</b>

	<b>For The Year Ended 31/03/2022</b>	<b>For The Year Ended 31/03/2021</b>
<b>Note - 15</b>		
<b>Revenue From Operations</b>		
Sales Of Traded Goods	61,15,911	47,06,523
Profit / (Loss) On Sale Of Bonds / Shares In Derivatives	6,95,739	14,26,559
Dividend	7,592	9,319
<b>Total</b>	<b>68,19,241</b>	<b>61,42,402</b>
<b>Note - 16</b>		
<b>Other Incomes</b>		
Capital Gain / Loss On Shares / MF	16,158	(50,514)
Dividend	8,119	19,262
Interest Income	4,980	32,336
Misc. Income	-	156
Share Of Profit From Onyx Partners	37,053	(13,066)
<b>Total</b>	<b>66,310</b>	<b>(11,825)</b>
<b>Note-17</b>		
<b>Purchase Of Stock In Trades</b>		
Purchases Of Traded Goods	57,33,615	45,38,910
<b>Total</b>	<b>57,33,615</b>	<b>45,38,910</b>

<b>Note-18</b>		
<b>Changes In Inventory</b>		
Opening Stock-Goods	2,09,284	1,22,266
Less: Closing Stock-Goods	(1,79,169)	(2,09,284)
<b>Total</b>	<b>30,114</b>	<b>(87,018)</b>
<b>Note-19</b>		
<b>Employee Benefit Expenses</b>		
Bonus	6,062	6,071
ESI & PF Expenses	1,554	1,646
Salary	51,940	52,423
Remuneration- Director	10,800	7,800
Staff Welfare	1,541	1,329
<b>Total</b>	<b>71,898</b>	<b>69,269</b>
<b>Note - 20</b>		
<b>Financial Cost</b>		
Bank Charges	2,074	249
Interest	27,640	25,538
<b>Total</b>	<b>29,714</b>	<b>25,786</b>
<b>Note - 21</b>		
<b>Other Expenses</b>		
Advertisement	23	18
Audit Fees	500	350
Computer & Software Expenses	1,168	1,249
Conveyance	3,368	2,407
Donation	-	1,600
Delievery Charges	55,270	41,931
Discount	96,661	18,269
Electrcity Expenses	4,365	2,827
Godown Expenses	48	1,177
Incentive	1,903	3,899
Insurance	1,533	1,898
Legal And Professional Fees	21,762	6,605
Loading / Unloading Expenses	31,519	25,328
Officce & Misc. Expenses	1,675	2,082
Packing Expenses	1,618	2,843
Printing & Stationary	4,339	3,485
Professional / SMC Tax	1,800	1,610
Registrar & Web Service	450	751
Rent	1,680	1,680
Repairs & Maintenance	372	1,388
Sales Promotion Expenses	-	50
Diwali Charges	-	360
Telephone & Internet Expenses	646	833
Travelling Expenses	666	193
Authorized Capital Expenses	-	5,875
Interest On Taxes / Late Fees	147	-
Vat Expenses	-	58
Vehicle Expenses	949	2,520
<b>Total</b>	<b>2,32,463</b>	<b>1,31,287</b>



# **SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2022**

## **1. Corporate Information:**

Khemani Distributors & Marketing Limited [Khemani] is an Indian Public Limited Company, incorporated in Surat, Gujarat in January, 2011. The Company has listed its Equity Shares on the SME Platform of BSE Limited.

Khemani is engaged in the Business Trading in FMCG products of Hindustan Unilever Limited ("HUL") as a 'Redistribution Stockiest' in Surat, Gujarat. The Company's product portfolio includes: (a) Personal Care Products; (b) Home Care Products & (c) Food and Drinks Product. The Company is also involved in the business of carrying on Trading activities by dealing in Stock Market in all kinds of Securities and other Financial Products.

## **2. Basis of Accounting:**

The financial statements of the Company have been prepared in accordance with the generally accepted accounting principles in India ('Indian GAAP') to comply in all material respects with the notified Accounting Standards ('AS') under section 133 of the Companies Act, 2013 ('the Act'), read with rule 7 of the Companies (Accounts) Rules, 2014 as amended. The financial statements have been prepared on an accrual basis and under the historical cost convention. All amounts included in the financial statements are reported in absolute figures of Indian Rupees.

## **3. Use of Estimates:**

The preparation of financial statements in conformity with Indian GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, reported amounts of revenues and expenses and the disclosure of contingent liabilities on the date of the financial statements. Actual results could differ from those estimates. Any revision to accounting estimates is recognized in the period in which such revisions are made.

## **4. Recognition of Income and Expenditure:**

Revenue is recognized and expenditure is accounted for on their accrual except insurance claim, claims in respect of material purchased and sold which are accounted for on cash basis.

## **5. Fixed Assets and Depreciation:**

Fixed assets are stated at cost of less accumulated depreciation.

Depreciation is provided on W.D.V. method at the rates and in the manner prescribed in Schedule II of the Companies Act, 2013 over their useful life. Depreciation on Assets acquired / disposed off during the year is provided on pro-rata basis with reference to the date of addition/disposal.

## **6. Foreign Currency Transactions:**

There were no Foreign Transactions during the financial year 2021-22.

## **7. Current and Deferred Tax:**

Tax expense for the period, comprising current tax and deferred tax, are included in the determination of the net profit or loss for the period. Current tax is measured at the amount expected to be paid to the tax authorities in accordance with the taxation laws prevailing in the respective jurisdictions.

Deferred tax is recognised for all the timing differences, subject to the consideration of prudence in respect of deferred tax assets. Deferred tax assets are recognised and carried forward only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date. At each Balance Sheet date, the group re-assess unrecognised deferred tax assets, if any.

## **8. Inventories:**

Inventories are valued at cost or market value, whichever is lower.

## **9. Investments:**

Investments that are readily realizable and intended to be held for not more than a year from the date of acquisition are classified as current investments. All other Investments are classified as Non-Current Investments. Non-Current Investments are carried at cost.

## **10. Contingent Liabilities:**

Contingent liabilities are recognized only when there is a possible obligation arising from past events, not wholly within the control of the Company, or where any present obligation cannot be measured in terms of future outflow of resources of, or where reliable estimate cannot be made. Obligations are assessed on going concern basis and only those having a largely probable outflow of resources are provided for. Contingent liabilities, if any, are not provided for in the financial statements but are separately shown by way of note. Contingent assets are neither recognized nor disclosed in the financial statements.

## **11. Trade Receivable and Payable:**

Balances of trade payable and receivable are subject to confirmation, reconciliation and consequential adjustments, if any.

## **12. Earnings per Share:**

The Company reports basic and diluted Earnings Per Share (EPS) in accordance with Accounting Standard 20 on Earnings Per Share. Basic EPS is computed by dividing the net profit or loss for the year by the weighted average number of Equity shares outstanding during the year.

**13. Related Party Transactions:**

The Disclosure required under Accounting Standard 18 in respect of Related Party transactions and balances is given in the table and explanations given hereunder:

**(I) Nature of Relationship:**

Description	Name of Related Parties	
<b>Directors / Key Management Personnel</b>	Vijaykumar Khemani	Chairman & Managing Director
	Amitkumar Khemani	Whole Time Director & CFO
	Anupa Khemani	Non-Executive Director
	Vaishali Punjabi	Company Secretary
<b>Relatives of Key Management Personnel</b>	Sushila Devi Khemani	
	Avinash Khemani	
	Sanju Khemani	
	Dimple Mansinghka	
	Kapeesh Mansinghka	
<b>Related Group Company / Entity</b>	Onyx Partners	
	Onyx SaaS Private Limited	
	Khemani Enterprises	

Note : The list of Related Parties are as identified by the Management and relied upon by the Auditor.

**(II) Details of Related Party Transactions:****a) Key Management Personnel / Directors**

Sr. No.	Name	Nature of Transaction	Amount [In Rs.]	
			As at 31/03/2022	As at 31/03/2021
1	Vijaykumar Khemani	Remuneration	1,80,000	1,80,000
		Loan received	10,00,000	58,75,000
		Loan repaid	10,00,000	55,00,000
2	Amitkumar Khemani	Remuneration	9,00,000	6,00,000
		Loan received	59,90,000	87,50,000
		Loan repaid	64,22,000	83,50,000
		Interest Paid	40,100	47,074
3	Vaishali Punjabi	Salary	3,96,886	1,87,096
4	Rekha Naraniwal**	Salary	-	1,66,000

\*\*Ms. Rekha Naraniwal has resigned from the post of Company Secretary w.e.f. 24-09-2021.

**b) Relatives of Key Management Personnel**

Sr. No.	Name	Nature of Transaction	Amount [In Rs.]	
			As at 31/03/2022	As at 31/03/2021
1	Sushila Devi Khemani	Rent	1,68,000	1,68,000
2	Dimple Mansinghka	Salary	2,70,000	3,60,000

3	Avinash Khemani	Salary	6,00,000	6,00,000
4	Sanju Khemani	Rent	1,44,000	1,44,000
5	Kapeesh Mansinghka	Salary	1,50,000	-

**c) Related Group Company / Entity**

Sr. No.	Name	Nature of Transaction	Amount [In Rs.]	
			As at 31/03/2022	As at 31/03/2021
1	Onyx Partners	Loan repaid	34,25,00,000	20,82,95,005
		Loan Received	36,12,85,000	9,37,69,691
2	Onyx SaaS Private Limited	Investment	50,000	-
		Inter-Corporate Loan given	62,00,000	-
		Inter-Corporate Loan received	50,000	-
3	Khemani Enterprises	Advance received from Debtors	5,00,000	-
		Advance repaid	5,00,000	-
		Sale of Goods	-	3,33,64,935

**14. Payment to Auditors:**

Particulars	As at 31/03/2022	As at 31/03/2021
Audit Fees	50,000	35,000

**15. Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006:**

Particulars	As at 31/03/2022	As at 31/03/2021
Principal amount remaining unpaid to any supplier as at the end of the accounting year	1,68,393	1,14,223
Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	-	-
The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	-	-
The amount of interest due and payable for the year	-	-
The amount of interest accrued and remaining unpaid at the end of the accounting year	-	-
The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	-	-

Note: Dues to Micro and Small enterprises have been determined to the extent such parties have been identified on the basis of information collected by the management.

**16. Segment Reporting:**

<b>SR. NO.</b>	<b>PARTICULARS</b>	<b>AS AT 31/03/2022</b>	<b>AS AT 31/03/2021</b>
<b>1</b>	<b>Segment Revenue</b>		
	(1) FMCG	6115.91	4706.52
	(2) Securities	769.64	1435.88
	(3) Unallocated	0.00	0.00
	<b>Total</b>	<b>6885.55</b>	<b>6142.40</b>
	Less: Inter Segment Revenue	0.00	0.00
	<b>Net Sales from Operations</b>	<b>6885.55</b>	<b>6142.40</b>
<b>2</b>	<b>Segment Results (Profit Before Tax and Interest)</b>		
	(1) FMCG	32.20	36.20
	(2) Securities	768.29	1424.03
	(3) Unallocated	0.00	0.00
	<b>Total</b>	<b>800.49</b>	<b>1460.23</b>
	Less:		
	(a) Financial Cost		
	(1) FMCG	2.75	0.71
	(2) Securities	26.94	25.08
	(3) Unallocated	0.00	0.00
	(b) Other Unallocated Expenditure written off	0.00	0.00
	Add:		
	(c) Un-allocable income	0.00	0.00
	<b>Total Profit Before Tax</b>	<b>770.80</b>	<b>1434.44</b>
<b>3</b>	<b>Capital Employed (Segment assets – Segment Liabilities)</b>	<b>4346.89</b>	<b>3892.33</b>
	<b>Segment Assets</b>		
	(1) FMCG	1480.18	747.58
	(2) Securities	3500.01	3516.94
	(3) Unallocated	0.00	0.00
	<b>Total</b>	<b>4980.69</b>	<b>4264.52</b>
	<b>Segment Liabilities</b>		
	(1) FMCG	503.22	54.09
	(2) Securities	130.57	318.10
	(3) Unallocated	0.00	0.00
	<b>Total</b>	<b>633.80</b>	<b>372.19</b>

**17. Previous Year's Figures:**

Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification/disclosure.

**18.** Where the company has not used the borrowings from banks and financial institutions for the specific purpose for which it was taken at the balance sheet date, the company shall disclose the details of where they have been used:- **Not Applicable**



**19.** If, in the opinion of the Board, any of the assets other than Property, Plant and Equipment, Intangible Assets and non-current investments do not have a value on realization in the ordinary course of business at least equal to the amount at which they are stated, the fact that the Board is of that opinion, shall be stated:- **Not Applicable**

**20.** Where the Company has revalued its Property, Plant and Equipment, the company shall disclose as to whether the revaluation is based on the valuation by a registered valuer as defined under rule 2 of the Companies (Registered Valuers and Valuation) Rules, 2017:- **Not Applicable**

**21.** No Immovable Properties are held by the Company.

**22.** Loans & Advances to Promoters, Directors, KMP & Related parties:

Type Of Borrowers	Amount of Loan in the nature of Loan Outstanding	% to the total Loans & Advances
Promoters	-	-
Directors	-	-
KMP's	-	-
Related Parties	9,61,62,742	95%

**23.** CWIP Ageing : **Not Applicable**

**24.** CWIP Completion Schedule : **Not Applicable**

**25.** Intangible Tangible Assets under Development : **Not Applicable.**

**26.** The Company does not have any benami property, and no proceeding has been initiated against the Company for holding any benami property.

**27.** The Company has borrowings on the basis of security of Current Assets, but does not required quarterly returns or statement filed are in agreement with books.

**28.** The Company is not a declared wilful defaulter by any bank/ financial Institution/ other lender.

**29.** Relationship with Struck off Companies : **Not Applicable**

**30.** Charges / Satisfaction yet to be registered with ROC beyond the statutory period along with details and reasons thereof : **Not Applicable**

**31.** The Company has complied with number of layers prescribed under Section 2(87) of the Act, the name & CIN of such layer of companies along with relationship / extent of holding : **Not Applicable**

**32. Ratios:-**

Sr. No.	Type Of Ratio	Formula	Current Year	Previous Year	Change	Remarks
1	Current Ratio	Current Assets / Current Liabilities	7.41	61.13	-87.87%	<b>A</b>
2	Debt Equity Ratio	Total Debts / Total Equity Shareholders	0.15	0.10	52.48%	<b>B</b>
3	Debt Service Coverage Ratio	Earning available to Debt Service / Debt Service	26.51	56.32	-52.93%	<b>C</b>
4	Return on Equity Ratio	Net Income / Shareholders Equity	0.085	0.325	-73.89%	<b>C</b>
5	Inventory Turnover Ratio	Sales / Average Inventory	4.22	5.60	-24.64%	-
6	Trade Receivables Turnover Ratio	Net sales/Average accounts receivables	26.56	25.40	4.58%	-
7	Trade Payables Turnover Ratio	Net Credit Purchase /Average Trade Payable	67.18	27.13	147.62%	<b>D</b>
8	Net Capital Turnover ratio	Net annual sales/ Avg working capital	2.23	3.24	-31.17%	<b>A</b>
9	Net Profit Ratio	Profit after tax / Net Sales *100	8.55%	17.87%	-52.16%	<b>C</b>
10	Return On Capital Employed	EBIT/Capital Employed*100	15.82%	26.34%	-39.96%	<b>C</b>
11	Return on Investment	Profit after tax/Share Capital*100	13.41%	28.20%	-52.43%	<b>C</b>

<b>A</b>	Increase in WC Gap
<b>B</b>	Increase in Debt
<b>C</b>	Decrease in Profitability
<b>D</b>	Increase in Trade Payable

**33.** Any Scheme of Arrangements has been approved by the Competent Authority in terms of sections 230 to 237 of the Companies Act, 2013, the company shall disclose that the effect of such Scheme of Arrangements have been accounted for in the books of account of the Company 'in accordance with the Scheme' and 'in accordance with accounting standards' and deviation in this regard shall be explained : **Not Applicable**

**34.** Company has Advanced/ Loaned/ Invested to any other person or entity, incl. foreign entities with the understanding (recorded or otherwise) that the Intermediary shall Lend or invest in Ultimate Beneficiaries Provide Guarantee/ Security/ etc. on behalf of Ultimate Beneficiaries : **Not Applicable**

**34A.** Company has Received from any other person or entity, incl. foreign entities with the understanding (recorded or otherwise) that the Company shall Lend or invest in Ultimate Beneficiaries Provide Guarantee/ Security/ etc. on behalf of Ultimate Beneficiaries : **Not Applicable**

**35.** Details of any transaction not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961), unless there is immunity for disclosure under any scheme: **Not Applicable**

**36.** The Company is not covered under Section 135 of the Companies Act, 2013 for CSR Liability during previous Financial Year.

**37.** The Company has not traded or invested in Crypto Currency or Virtual Currency during the financial year.

**AS PER OUR REPORT OF EVEN DATE**

**FOR B CHORDIA & CO.**

**CHARTERED ACCOUNTANTS      KHEMANI DISTRIBUTORS AND MARKETING LIMITED**

**VIKAS CHORDIA**  
**PARTNER**  
**M. NO.: 158536**  
**FRN: 121083W**

**VIJAYKUMAR**  
**KHEMANI**  
**CHAIRMAN &**  
**MANAGING**  
**DIRECTOR**  
**DIN: 02227389**

**AMITKUMAR**  
**KHEMANI**  
**WHOLE TIME**  
**DIRECTOR &**  
**CFO**  
**DIN: 02227413**

**VAISHALI**  
**PUNJABI**  
**COMPANY**  
**SECRETARY**  
**ACS: 48695**

**PLACE: SURAT**  
**DATE: 10/05/2022**

**PLACE: SURAT**  
**DATE: 10/05/2022**

**KHEMANI DISTRIBUTORS AND MARKETING LIMITED**

**CIN:** L74300GJ2011PLC063520

**Reg. Office:** Plot No. D/91-92, Laxminarayan Industrial Park, BRC Compound,  
Udhana, Bhestan Road, Surat-394210, Gujarat

Email: [investors@khemanigroup.net](mailto:investors@khemanigroup.net) Website: [www.khemanigroup.net](http://www.khemanigroup.net) Contact:  
9737747888

**ATTENDANCE SLIP**

[Duly filled Attendance Slip to be submitted at the Entrance of the Meeting Hall]

Name of the Registered Shareholder	
DP. Id. / Client Id. / Folio No.	
Name of Proxy <i>[To be filled in if the Proxy attends the AGM instead of Shareholder]</i>	
No. of Shares held	

I certify that I am a Registered Shareholder / Proxy for the Registered Shareholder of the Company.

I hereby record my presence at the 11<sup>th</sup> Annual General Meeting of the Company being held at the Registered Office of the Company on Wednesday, the 28<sup>th</sup> September, 2022 at 4:00 p.m.

Name of Shareholder / Proxy: \_\_\_\_\_

Signature of Shareholder / Proxy: \_\_\_\_\_

**KHEMANI DISTRIBUTORS AND MARKETING LIMITED****CIN:** L74300GJ2011PLC063520**Reg. Office:** Plot No. D/91-92, Laxminarayan Industrial Park, BRC Compound, Udhana, Bhestan Road, Surat-394210, GujaratEmail: [investors@khemanigroup.net](mailto:investors@khemanigroup.net) Website: [www.khemanigroup.net](http://www.khemanigroup.net) Contact: 9737747888**FORM NO. MGT-11****PROXY FORM***[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]*

Name of Member(s)	:
Registered Address	:
E-Mail Id	:
DP. Id. / Client Id. / Folio	:
No.	:

I / We, being the Member of \_\_\_\_\_ Shares of the above named Company, hereby appoint.

1.	Name	
	Address	
	E-mail Id	
	Signature	or failing him / her

2.	Name	
	Address	
	E-mail Id	
	Signature	or failing him / her

as my / our Proxy to attend and vote for me / us and on my / our behalf at the 11<sup>th</sup> AGM of the Company to be held on Wednesday, the 28<sup>th</sup> September, 2022 at 4:00 p.m. at the Registered Office of the Company situated at Plot No. D/91-92, Laxminarayan Industrial Park, BRC Compound, Udhana, Bhestan Road, Surat-394210, Gujarat and at any adjournment thereof in respect of Resolutions indicated below:

Resolution	Resolutions
	<b>[Ordinary Business]</b>
1	Adoption of Financial Statements and Report of Board of Directors.
2	Re-appointment of Mr. Amitkumar Khemani as a Director liable to retire by rotation.
	<b>[Special Business]</b>
3	Approval of Related Party Transactions
4	Revision in the Remuneration of Whole Time Director & CFO of the Company

**Affix a  
Rs. 1/-  
Revenue  
Stamp**

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2022.

Signature of Shareholder: \_\_\_\_\_ Signature of Proxy: \_\_\_\_\_

**NOTE:**

**The proxy form duly stamped, completed and signed must be deposited at the Registered Office of the Company not less than 48 hours before the time for holding of the aforesaid meeting. The Proxy need not be a member of the Company.**



**Write Up:**

[illegible]

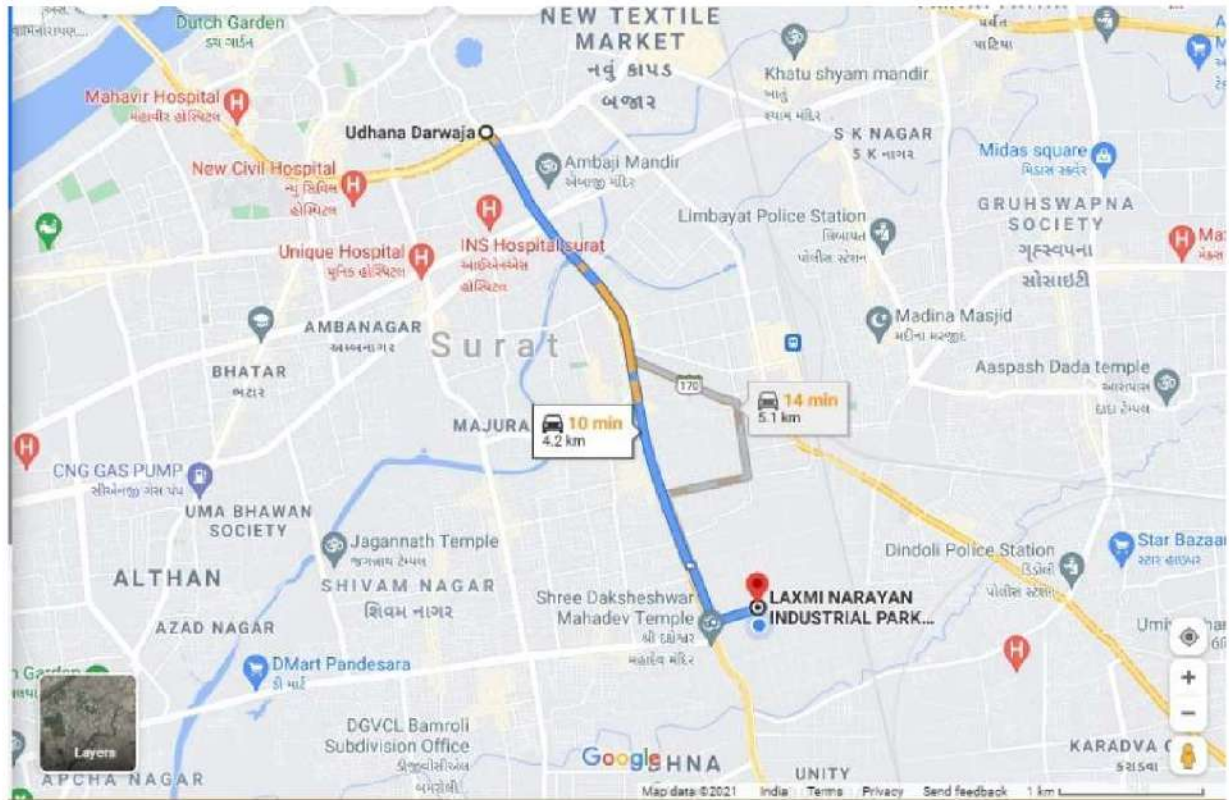
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**Write Up:**

[illegible]

\*\*\*\*

## ROUTE MAP TO THE VENUE OF THE 11<sup>TH</sup> ANNUAL GENERAL MEETING



*IF UNDELIVERED;*

*Please return to:*

### **KHEMANI DISTRIBUTORS AND MARKETING LIMITED**

Plot No. D/91-92, Laxminarayan Industrial Park,  
BRC Compound, Udhna, Bhestan Road,  
Surat-394210, Gujarat  
Contact: +91-9737747888 / +91-7818081234

